BANKING

MARCH 1951



A time to dot c's and cross l'o





At a time like this, no bank wants to make inflationary loans or encourage needless borrowing. Bankers everywhere are observing the spirit and letter of requests from the Federal Reserve Board and the Government.

And yet, since banks depend on loans for a substantial part of their earnings, they are naturally eager to maintain and strengthen their loan portfolios.

This can be done by making inventory loans to firms directly or closely associated with the defense effort.

When these companies receive allocations of essential materials and are unable to pay for them immediately, in cash—an inventory loan field-warehoused by Douglas-Guardian is the logical solution. Such loans tend to strengthen our economy because they give the smaller businessman an opportunity to compete favorably with large companies for defense orders. Then, too, when an essential loan is secured by collateral, the bank is able to extend more credit than it could on an unsecured basis.

YOU MAKE THE LOANS - WE'LL MAKE THEM SAFE

DOUGLAS-GUARDIAN

WAREHOUSE CORPORATION

"THE BANKERS' FIELD WAREHOUSE COMPANY"

NEW ORLEANS 1, La., 118 No.th F.ont St LOS ANGELES 14, Calil , Garfield Bldg NEW YORK 4, N.Y., 50 Broad St CHICAGO 2, III., 173 W. Madison St ATLANTA 3, Ga , Hurt Bldg. CLEVELAND 23, Ohio, 398 E. 232 St DALLAS I, Texas, Tower Petroleum Bldg. SPRINGFIELD 3, Mass., 172 Chestnut St.

MEMPHIS 3, Tenn , Porter Bldg. PHILADELPHIA 2, Pa , Girard Trust Bldg PORTLAND 4. Ore , U S Nat'l Bank Bldg ROCHESTER 4, N Y., Commerce Bldg SAN FRANCISCO 4. Calif., 300 Montgomery St

SPRINGFIELD, Ma., McDaniels Bldg TAMPA 2, Fla., 416 Tampa St. HARTFORD, Conn., 149 Woodland St MIAMI 37, Fla., 3582 N. W. 46th St DETROIT, Mich., Penobscot Bldg MARION, Ind., P.O Box 742 GRAND RAPIDS, Mich . 1368 Walsh St . S E W

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BANKING

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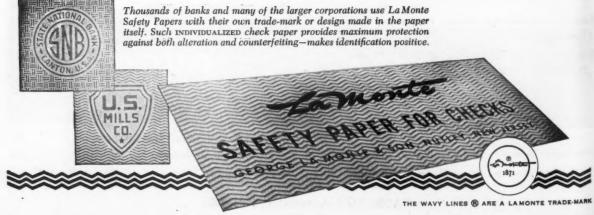
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...and here's "Exhibit A"

This check is a permanent record of the transaction . . . clear evidence of payment that should clinch the case. » This is just one of the services a check can render. Bankers, concerned with the transfer and safe handling of funds, realize the vital importance of checks in every-day business life. Naturally they use great care in the selection of their safety papers. » The vast number of checks lithographed on La Monte Safety Papers and circulated daily by American Banks is an indication that their quality and safety are widely recognized.

A Check Paper All Your Own





The Judges Select . . .

Spread out on tables in the New York Advertising Club were the advertising exhibits submitted by American and Canadian banks for BANKING'S 1951 Forum in Print.

The four judges, notebooks in hand, made the rounds slowly, turning the pages of scrapbooks big and small, opening promotional folders, scanning photographs, as they searched for "outstanding use of advertising methods during the past vear."

It was a big job, but the jury of experts was patient and painstaking, and finally the recipients of BANKING'S citation for advertising excellence were selected.

Their names? Well, 10 programs selected by the judges for publication are somewhat briefly reviewed in this month's magazine, starting on page 34. We offer them as worthy representatives of today's bank advertising. Their diversity and implementation of ideas demonstrate that the approach of the banking business to the public is getting farther and farther away from the conventional.

As a whole, the exhibits indicated banks' increasing application of the human touch in their advertising. They are also promoting the customer's interest, knowing that what helps him helps them. Also, campaigns that introduce or otherwise feature the bank's staff are rather frequent these days.

And there are, of course, the campaigns that do some effective good, old-fashioned plugging for the United States of America.

Forty Love

You may have noticed that BANK-ING is not a magazine that promotes sports, either indoor or outdoor. But a while ago we did some missionary work that may (who knows) send South Africans a-paddle tennising.

In our October 1950 story about JIM SHELTON, the new president of the American Bankers Association, we pictured him, with others, on a paddle tennis court.

Now the editorial staff of BANK-ING is not athletically inclined (decidedly not) and we generously assumed that our readers would know about p.t. even if we didn't. After all, President SHELTON did - there he was in the photo, racket in hand.

Well, a few weeks ago came a letter from Reader S. F. WALKER of



"Well, I suppose it's worth a try"

The Standard Bank of South Africa, Ltd., Cape Town, asking, in so many words: "What, pray tell, is paddle tennis? Maybe we ought to be playing it over here."

BANKING promptly referred the question to Player SHELTON and then conducted its own private investigation. A New York sporting goods store not only enlightened our darkness, but obligingly showed us the proper equipment.

By the time we had passed along our information to Mr. WALKER, he had received President Shelton's letter of explanation, so the question was well answered.

In case you're interested, too, paddle tennis is a rugged game played with paddle-like rackets, ball and



CHARLES AGUIS

THIS MONTH'S COVER

The judging of entries in BANKING'S 1951 Forum in Print took place at the Advertising Club of New York where are seen, in the cover picture, not only the judges but others interested in this unique display of a year's advertising by leading banks of the country. A picture of the judges appears on page 79. The contest story and repro-ductions of some of the winning entries appear on pages 33-44.

The Staff Editor WILLIAM R. KUHNS Associate Editors

WILLIAM P. BOGIE JOHN L. COOLEY

Assistant to the Editor MARY B. LEACH News Editor THEODORE FISCHER Editorial Assistant ETHEL M. BAUER

Business Manager J. J. ROONEY

Manager

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Representatives

ROBERT J. STIEHL JOHN R. PRANN

Western Office

JOHN J. McCANN Manager

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KING



READY MARKETS FOR INDUSTRY'S PRODUCTS

Fast-growing Florida, where population has increased 46.1 per cent since 1940, provides promising new markets for industry. Conveniently near, too, are Latin American markets. easily reached from any of Florida's 13 busy ports.



Buyers Waiting

ius of 1400 miles people, who spend

Florida's sound expansion and multitude of advantages combine to make it highly desirable as a location for new industries and branch plants. For your opportunity, look to the fastgrowing Sunshine State.

Learn today how Florida's opportunities for you



lishing or purchasing a business help you find your requirements.

STATE OF FLORIDA

net-a sort of extra-illustrated edi- nectady comes a suggestion. Writes tion of just plain tennis.

How About It?

FROM an old friend who's with the banks all over the country in de-General Electric Company in Sche-

see Thee.

C. D. WAGONER of the GE News Bureau:

"Much time must be wasted in (CONTINUED ON PAGE 6)

Her Legacy

 ${
m ``F}$ our years ago," said the Associated Press dispatch from Bristol, Virginia-Tennessee, "Miss KATHERINE R. McCormick read that a dead person's eyes had been transplanted to save the eyesight of another person. Impressed, she willed in verse that at her death her eyes should be given to an eye clinic.

"Miss McCormick's legacy could not be carried out. During the last four years her eyes grew weak, and a few weeks before her death, one had to be removed.

"Miss McCormick died Friday-almost totally blind."

Many of Banking's readers will recall her verses, "My Legacy," published in our February 1947 issue. We reprint them herewith:

WITH joy I will my eyes; with keen delight At thought that these by which I've severed day from

Will give to one who sits in never-ending darkness,

The world is wondrous fair— Sea, land, and air Show miracles of beauty everywhere. These have I loved, and Death doth lose its sting If I, through science, can in passing bring To darkened eyes the joy of watching nature fling Her colors here, her shadows there, Of watching motion, life in action everywhere, And best of all, the love-light in a face by love made

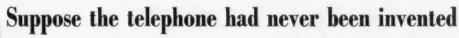
DEVOUTLY do we thank Thee, Lord, that Thou to human hands has given The skill by which the bonds of night are riven From sightless eyes and saddened souls, to meek submission driven; And that to little folk like me Is given the God-like power to make men see. Then, seeing all Thy wondrous works, I pray they may

After Banking's publication of the poem Miss McCormick wrote us a pleasant note in which she expressed the hope that it would "influence others to make the same gift, for it is to me such a wonderful thing to translate the death of one person into new life for another, without the long passage of time in which 'the dust of Caesar may stop a bung-hole."

There's a postscript to the story: When Miss McCormick lost her eyesight she deleted the previous legacy from her will.

"She was a very wonderful person," says G. B. ARNOLD, vicepresident and trust officer of the Dominion National Bank of Bristol, "and spent the greater part of her 79 years trying, as Kipling expressed it in writing about a wonderful person, 'as the morning sun, to spread all over the world with her goodness."





Have you ever thought what the world and your life would be like without the telephone?

If you wanted to talk to relatives or friends — if you wanted to order from a store — if you needed to summon a doctor or a policeman in an emergency — there would be no way you could do it in a hurry. What now

takes only a few seconds or minutes would often take hours and cost you far more than a telephone call.

Each year the telephone becomes more useful to the people and more vital to the prosperity and security of the Nation. Today's tremendous job of production and defense could not be carried on without it. There are twice as many Bell telephones as there were only ten years ago. They are here and ready because the Bell System kept right on building and improving to meet the country's needs.

Never in the history of the telephone has it been so valuable to so many people as right now.

BELL TELEPHONE SYSTEM





200 Acres of Choice Industrial Land Now Ready in the DENVER Area

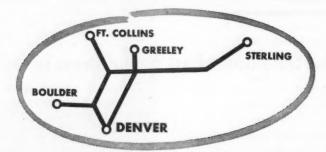
There are 300 acres in the Denver and East Denver Industrial Districts of which 200 are still available and suited for almost any industry; ideal for processing, manufacturing or warehousing.

The Denver Industrial Districts have necessary utilities, paved roads adjoining, good industrial trackage.

Already established here are Firestone, Gamble-Skogmo, General Motors, Kraft Foods, Miller's Groceteria Co., Quick-Way Truck Shovel Co., Ralston-Purina, Sunshine Biscuit, Western Electric, and about forty others including the widely known Denargo Produce Market.

The new East Denver Industrial District can be readily adapted to meet your needs.

The Denver area normally has a ready supply of skilled and common labor. The climate and recreational opportunities are unusually attractive. It is an ideal location in which to work and live.



For industries who desire to locate in smaller communities along the Union Pacific in Colorado, we have industrial tracts in BOULDER, FORT COLLINS, GREELEY, AND STERLING.

System-wide, Union Pacific's industrial plant opportunities include sites in these eleven States: CALIFORNIA, COLORADO, IDAHO, KANSAS, MONTANA, NEBRASKA, NEVADA, OREGON, UTAH, WASHINGTON and WYOMING.

For detailed, confidential information please write:

INDUSTRIAL PROPERTIES DEPARTMENT UNION PACIFIC RAILROAD, ROOM 119 OMAHA 2, NEBRASKA

UNION PACIFIC RAILROAD

(CONTINUED FROM PAGE 4)

ciphering unintelligible signatures. I imagine mistakes sometimes occur as a result.

"In the present hurry-up age most folks seem to become more careless in their handwriting. Any time saved by the person writing hurriedly and poorly is more than expended by the poor chap who has to decipher it.

"In addition to the time lost and trouble experienced by banks, other businesses, and even individuals, must also have their difficulties in reading poorly written letters. I have often thought some folks think it a mark of distinction to scribble, particularly with their signatures.

"Someone should take the initiative to correct this condition. Schools can care for the younger generation but not the present day offenders. So I suggest that some bank, or maybe a group of banks, in every city inaugurate a contest with Defense Bonds as prizes. Banks could benefit in more ways than one, for the statement to be copied in the writing contest could be a strong advertisement for the bank.

"Certainly people who write such a statement, probably several times, will absorb the message. And what a grand community service!"

The Penny

In these days of multiple billions it was good to be reminded that the (CONTINUED ON PAGE 11)

"Sorry I can't help you. I might suggest you try a radio quiz show"





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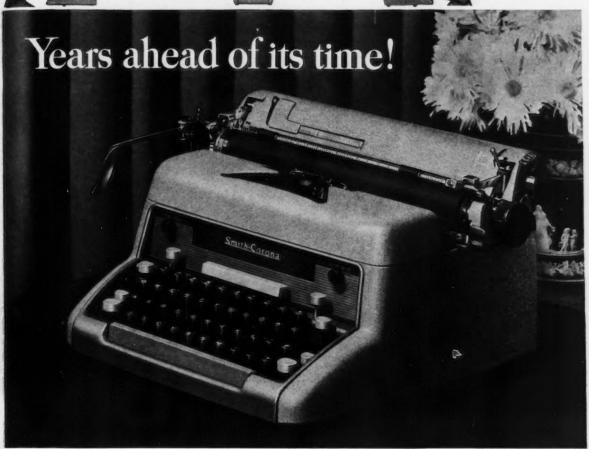
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HAYPES THE MOST
BEAUTIFUL LETTERS
YOU'VE EVER SEEN!"



The All-New "Luxury Typing"

Smith-Corona

FEATURING PAGE GAGE!

You won't see a typewriter so completely new and radically advanced for years to come!

New Page Gage saves time, stationery and retyping. New Super-Support Segment permits an all-new luxury "write" no other typewriter can match. Has new 10-Inch Writing Line and widest paper capacity of any standard carriage model. Plus new 4-Way Ribbon Control, new Scale-Scope, Error Control and world's fastest Automatic Margin.

Ask for the complete story on the All-New Smith-Corona now. It's one you should hear!



© 1951

NG

L C SMITH & CORONA TYPEWRITERS INC SYRACUSE 1 N Y Canadian factory & offices, Toronto, Ontario.

Makers also of famous Smith-Corona Portable Typewriters, Adding Machines, Vivid Duplicators, Ribbons & Carbons.

enthusiastically neceived in Roanoke-Detroit-Omah

the <u>New</u>
Burroughs Bank
Bookkeeping
Machine

highly rated by users everywhere



Users of the new Burroughs bank bookkeeping machine report increases of as much as one-third in the efficiency and production of their bookkeeping departments! Credit for this substantial time and work conservation goes to the machine's many new features—one-hand form insertion, easy key and motor bar depression, automatic balances, simplified error correction, adding machine feature—and the machine's great operating simplicity.

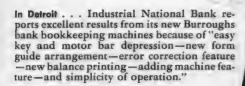
Burroughs offers banks much more than this most

advanced and efficient tool made for bank bookkeeping departments. Burroughs also offers its experience and skill in planning and carrying out machine installations, and the backing of the nationwide Burroughs service organization.

A demonstration of the new Burroughs bank bookkeeping machine can easily be arranged for you. Just call your local Burroughs man, or write to us. Burroughs Adding Machine Company, Detroit 32, Michigan.



In Roanoke . . . The First National Exchange Bank operates 12 new Burroughs bank book-keeping machines and likes the way the machine's features have reduced the work load in spite of a growing volume of book-keeping operations. This bank especially commends the fine service it has received from the local Burroughs branch.





SEPT. 6.1950

In Omaha... the First National Bank credits new Burroughs bank bookkeeping machines with a 20 per cent reduction in posting time, and reports enthusiastic operator acceptance of the new machines. The bank states that the machine's features "have assured a smoother, easier, and more accurate operation in our bookkeeping department,"

WHEREVER THERE'S BUSINESS THERE'S Burroughs



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e to us. Detroit

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At Buffalo's Erie
county Savings Bank
"NO LET-UP IN THE DAILY
GROWTH OF NEW ACCOUNTS!"

And That's Only
ONE Result Story on the

HOPALONG
(ASSIDY
SAVINGS CLUB

Your Great New Account Builder

YOU GET RESULTS

From Hoppy's Huge Popularity!

Follow the lead of Erie County's ace public relations officer, Bender Gilbert, and scores of other bankers like him. Take advantage of this completely new and different club plan that turns Hopalong Cassidy's huge popularity into a rich source of new accounts.

YOU GET RESULTS

From This Plan That Keeps Accounts Growing!

The Hopalong Cassidy Savings Club not only gets you new accounts but keeps them growing through contests and the Saving Rodeo incentive plan for club members!

YOU GET RESULTS

From These High Powered Promotion Aids!

Colorful display material, newspaper ad mats, television film spots, radio spots, movie trailers. publicity material — ready and easy to use — are available to you at all times.

YOU GET RESULTS

From Non-competitive Arrangements! Write - wire -

phone today for information. Ask to have our representative call without obligation.

BARZO

BAR-TWENTY (Associated with Banthrico Industries, Inc.)
17 N. Desplaines St. • Chicago 6, Illinois • Financial 6-4560

accommon and a series of the s

(CONTINUED FROM PAGE 6) one cent piece is still a member of Uncle Sam's currency family.

The reminder came from no less a place than the Federal Reserve Bank of New York which, in a circular to Second District banking institutions, called for all the pennies that could be spared—and quick.

President ALLAN SPROUL said that although plenty of pennies were extant, a better distribution was necessary. The short supply was being apportioned under "an informal rationing system."

Maybe All of Us Need This Book

Banking is informed that Primer for Americans, written by a bank director and an ad agency copy man, is now available in a special school edition.

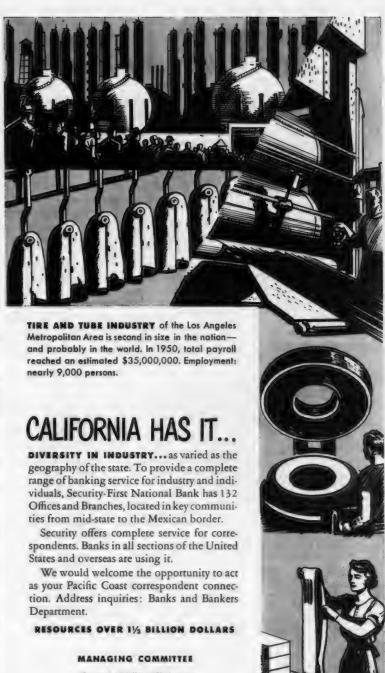
Conceived, developed and published as a public service by SIGURD S. LARMON, who is president of Young & Rubicam, Inc., and a director of the Scarsdale (New York) National Bank, the *Primer* is the result of an effort by the U. S. Council of the International Chamber of Commerce to circulate facts about America.

Mr. Larmon, as chairman of the Council's Information Committee, got the assignment. Working with him were Gardner Cowles, publisher of Look, and C. D. Jackson, publisher of Fortune.

"We started out in about the same way an advertising agency does when it gets a new account—trying to draw up a copy plan," says Mr. LARMON. "But we didn't get very far. Why? Because we had to face the fact that we really did not know what our product—America—really was."

"It's a U. S. Government check . . . and you want my endorsement?"





George M. Wallace, Chairman Chairman Board of Directors

James E. Shelton President Chester A. Rude Chairman Executive Committee

L. W. Craig Vice-Presiden C. T. Wienke Vice-President

SECURITY-FIRST NATIONAL BANK

OF LOS ANGELES

Member Federal Deposit Insurance Corporation Member Federal Reserve System

NG

Let YALE

equipment and service take the worry out of your bank vaults

"Let YALE do it!"

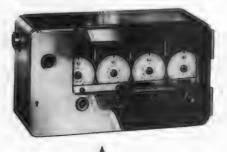
Banking men the country over know that this is one sure way to remove the worry, expense and trouble normally connected with bank vaults and safe deposit boxes.

That's why YALE equipment, YALE installed and YALE serviced, is standard in literally thousands of banks.

Providing security and peace of mind is, after all, the job YALE

knows best, one at which YALE has worked and excelled since 1868.

The benefits of this unequalled experience — expertly engineered products and thoroughly reliable service—are yours any time you specify YALE products. Consider, for example, the extra advantages in having any of the YALE products shown below in your bank. For complete details just send us a note on your letterhead. Write in care of Dept. S-403.



Yale 120 - Hour Time Lock Movements give you freedom from weekend worry and annoyance, give you a full measure of extra security, even under the most extreme conditions. Vale Emergency
Vault Ventilator. A
turn of the handle forces
in a continuous stream of
fresh air, provides light
and communication, prevents panic and costly
emergency rescues of
trapped personnel.

Yale Safe Deposit Locks, Series No. 5705. In this series are good security lever tumbler locks for door sizes from 1½ to 10 inches. Flat or corrugated keys for both renter and guard. Many other types of safe deposit locks available.



Yale is a Reg. T. M. of The Yale & Towne Mfg. Co.

THE YALE & TOWNE MANUFACTURING CO.

Stamford, Conn.



"A nickel to do this, a dime not to do that, two pennies to eat something, seven cents to kiss Aunt Minnie, a dime not to repeat something, six cents to take your medicine—all this means a lot of book-keeping".

Nazism had Mein Kampf and Communism has Das Kapital, but with the obvious exceptions of the Constitution and the Declaration there was no Book of America to explain the principles and beliefs of our country.

Mr. Larmon realized that to prepare such a book would be a prodigious task, so he decided to compromise on something simpler. He called in Thomas W. Lapham, a Y. & R. copywriter, and together they produced the manuscript of what became the *Primer*, which Look published last fall.

Now the school edition is going the rounds. There's no personal profit in it for anyone. But there's the hope that the little book may inspire someone to write that big Book of America.

Postscript

From Clement Comments, published now and then by the J. W. Clement Company, Buffalo printer, comes this item:

"We recently heard a business talk in which a leading banker said, approximately:

"'Our shift toward a welfare state will end when more than half the voters realize that they are paying for benefits which they as individuals will never receive.'

"Very pithily put, but the gentleman should have added another sentence. By the time this happens, we'll be so far into Socialism we'll never get out."

J. L. C.

BANKS

are saving time and money with PHOTOSTAT

REG. U. S. PAT. OFF.

PHOTOGRAPHIC COPYING EQUIPMENT

Here is the answer to all bank and trust company copying . . .

These modern photographic copying machines make copies quickly, accurately and economically of anything that is written, printed, drawn, typewritten or photographed . . . at the same size . . . or enlarged . . . or reduced

This photographic method of copying helps to eliminate costly peaks in clerical work . . . makes great savings in time and money. Such copies are errorless. No checking is necessary. And they are inexpensive.

A great many banks and trust companies throughout the country are using PHOTOSTAT Photographic Copying Equipment to excellent advantage...saving money...giving better service to customers. How about your bank?

PHOTOSTAT CORPORATION

303 STATE STREET, ROCHESTER 14, NEW YORK
Service Offices in All Principal Cities

Your inquiries are cordially invited.

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Community Service Loan Fund

\$25,000 Community Service
Fund has been established by
the Gardner (Massachusetts)
Trust Company to help worthy home
folks over some of life's rough spots.

The stockholders voted to set aside the money, from reserves, for educational, home assistance and small business loans to Gardner people at nominal rates of interest. Requests for aid will be reviewed by committees of citizens who will determine whether the applicants are deserving and whether their projects would benefit the community.

President Howard D. Ferguson, who had the idea for this unusual undertaking, told BANKING of the bank's hopes and plans for developing it into "something worthwhile."

The objective is to assist deserving people with financial problems that would not qualify for a usual type of bank credit.

"We have found over a period of years," he said, "that the growth of the city—Gardner has a population of 20,000—has come from within rather than from without. Many of cur now prosperous concerns originally started in a very small way, and even a loan of \$300, \$400 or

President Howard D. Ferguson





The business section of Gardner, Massachusetts

\$500 gave them the assistance they needed to get started.

"We have people working in Gardner after regular hours on small ventures of their own, and it's possible that some of these might grow into successful businesses."

But the fund is also to help needy students and to assist families that merit a helping hand.

"It is designed," Mr. Ferguson continued, "to aid only those in need. It is not contemplated that money will be advanced to a boy or a girl who is just starting a lengthy school or college course, but rather to those already in school who need some financial assistance to carry them through a temporary crisis such as the death of a parent.

"In the same field the fund will grant aid to boys and girls seeking to enroll in trade or vocational schools in which they will learn crafts that will benefit not only themselves but their community.

"Business loans will be granted on the same basis to men and women of character who need a little help."

Home assistance loans will be available for a variety of purposes. It is expected there may be a special need for help to families that are awaiting allotments from the pay of men in the armed forces.

For accounting purposes the bank proposes to set up the \$25,000 on its

ledger in three accounts: one for education, one for family aid, and the third for small business. Each section will be handled by a separate committee.

"The committee members," explains Mr. Ferguson, "are fellows around town: a gas station operator, the superintendent of schools, a dentist, a physician, a mechanic, small merchant, etc. With one exception, these have no official connection with the bank, and many of them are not even depositors. The exception is a director of the bank, Frank M. Favor, who will be chairman of the small business committee. Mr. Favor has always taken a very active interest in Gardner affairs."

Mr. Ferguson expects to oversee the general program and to serve as ex-officio member of each committee. All requests for aid will be taken up with the committee directly concerned.

The rate of interest will probably be in the neighborhood of 4 percent. Although Mr. Ferguson believes the actual figure is incidental, he is also of the opinion that the aid should not be free.

"It is not intended that the fund be a give-away," he says. "It has always been my feeling that when

(CONTINUED ON PAGE 123)



IN DEVELOPING NEW BUSINESS ...

"Our Officers <u>now</u> call on the right people —at the right time"

"We've found the answer to our pressing need for a practical, convenient method of bringing in new business-in the Kardex Business Development System created by Remington Rand. What we needed, and never had before, was a way of organizing our officers' time. Naturally, they are busy men, with many other duties. And where no one had a definite responsibility for specific new business - with a concise follow-up that shows progress or lag-each officer tended to put off that task till 'tomorrow'. But since we've been using the Bank Development Forms, we know at a glance exactly who needs to be called on-and when. The result: we are making fewer calls, but more productive ones...getting more business, with far less waste of time."

Equally useful to all banks, regardless of size or location

Yes, as many banks large and small are learning by experience, it's system that "brings in the business." And what a simple, easily operated system these new

Kardex Bank Development Forms provide!

Many smaller banks find that a few hours' work each week by one girl keeps up-to-date all the information you need. A few of the things these handy cards will do for you:

- 1. Prescribe calls on bona fide prospects only.
- 2. Clearly indicate the business desired.
- 3. Set up an automatic control for officers' calls.
- Provide the soliciting officer a complete history of the account to take with him on his call.

You'll have to see the system to appreciate what it can do for you. We've prepared a Management Controller which contains the actual forms, clearly outlines their functions. Call your local Remington Rand office, ask to see MC-736. Or write to Management Controls Library, Room1723, 315 Fourth Ave., New York 10.

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THE FIRST NAME IN BUSINESS SYSTEMS

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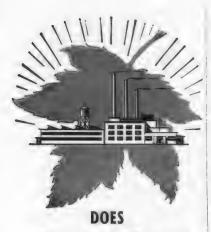
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Canada's Future INTEREST YOUR CUSTOMERS

NOW?

JUST LOOK AT THE FACTS:

- Canada ranks as the third largest trader in the world . . . topped only by the U.S. and Britain.
- In 1950, Canada's mineral output passed the \$1 billion mark.
- Canada's gross national product has risen to \$17 billion—it has a consumer market of over \$11 billion annual imports exceed \$2½ billion exports over \$3 billion . . . Canada is the best customer and No. 1 supplier of the U.S.

Today, 2,200 U.S. companies have plants in Canada. To thousands of other U.S. firms Canada is a major market. If you have customers planning expansion, come to the Bank of Montreal for the entire story about the big neighbor to the north. The B of M has been a leader in developing U.S.-Canadian trade since its first U.S. office was established in 1859.

Talk Canada with us at any of our U.S. offices—or write the Business Development Department, Bank of Montreal, Place d'Armes, Montreal.



New York • - - - 64 Wall St.
Chicago • - 27 S. La Salle St.
San Francisco - 333 California St.

BANK OF MONTREAL

Canada's First Bank Coast-to-Coast
Head Office-Montreal

550 Branches Across Canada RESOURCES EXCEED \$2 BILLION



66 M R. Anthony, I have a problem," quipped the lady customer at the vice-president's desk. And she proceeded to lay her dilemma before him. A very thrifty person and a good manager, she had been able to save quite a substantial sum, over the period of a few years, from her housekeeping allowance. She had kept this savings account a deep secret from everyone but the bank—even her husband didn't know about it.

Now she wanted to buy an electric sewing machine, but the husband had said they couldn't afford it. She had considerably more than enough in her private account, but, if her marital partner knew about that, she would have to explain to him how she had acquired the money.

"He might cut down my allowance," she said, "if he thought I could manage on less."

A sudden solution of her problem had come to her, she went on, and she had come to see if the purchase of the coveted machine could be worked out through a loan from the bank. As security she would let the bank hold her savings passbook, with the agreement that she would not draw any funds until the loan was repaid. Then, as she was quite an expert seamstress, she was confident she could earn enough extra money with the aid of the new sewing machine to pay off the loan in instalments. Thus the savings account would remain intact and a continuing secret. If the dressmaking should fail to work out profitably,

she still had the account to fall back on for funds to pay the loan.

"But it means so much to me to have that money in the bank that nobody knows about that I hope I won't have to draw it out."

And she didn't. The loan was repaid quickly and the secret account is still growing.

"May I have a pocket checkbook?" asked the pretty lady of the teller.

"Certainly," was the prompt reply, as the book was passed across the counter.

Three days later, the same lady, a little red in the eyes from weeping, stopped before the same teller's cage.

"Why didn't you tell me I didn't have any money in my account the other day?" she demanded, tearfully. "When you gave me another checkbook, I thought of course I must have plenty of money left or you wouldn't have let me have any more checks. Now my account is overdrawn and two of my checks have been returned to the stores. You certanly have put me in a terrible predicament by being so careless!"

BELLE S. HAMILTON



Times change. The main highway is becoming the main highway.

A diplomat is a person who solves the problems that wouldn't exist if we didn't have diplomats.

In Congress nobody loves a fact man.

In a divorce suit the seamy side generally shows.

The fountain pen writes, and having writ—blots.



THE DETROIT EDISON COMPANY DETROIT, MICHIGAN

Production Efficiency

Widespread interest has been shown in the current and expected future improvements in production efficiency resulting from the industry-wide expansion program by electric public utility companies. However, comparatively little has been said about the less evident, but nevertheless important, progress in this direction which occurs on a day-to-day basis through constant improvement in practices, techniques, and plant arrangements.

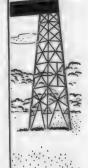
A combination of the above factors has made it possible to maintain what we believe are very satisfactory trends in production efficiency.

You may be interested in the table below showing trends of some measures of efficiency for Detroit Edison. They are probably typical of the entire industry. We believe the figures indicate substantial gains over a period of years from the standpoint of better utilization of coal and better utilization of plant equipment.

Prentiss M. Brown CHAIRMAN OF THE BOARD



Year	Name Plate Generator Capacity—KW	KWHR Produced Per KW Generator Capacity	Plant Heat Rate BTU/KWHR
1935	800,000	3,112	14,070
1940	1,085,000	3,323	12,870
1945	1,225,000	4,165	12,660
1950	1,500,000	5,382	12,450



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Truman Joins in Honors to Banker Evans

M.R. HARRY S. TRUMAN of 1600 Pennsylvania Avenue, Washington, D. C., a customer of the Hamilton National Bank in that city, took part in a recent tribute to the banker who had been willing to "float a little slip of paper" to a certain Senator from Missouri 15 years ago.

The banker was Joshua Evans, Jr., and the occasion was the dinner given by the bank to honor his retirement as vice-president after 56 years in Capital banking.

President Truman was one of the speakers. Recalling the old loan, he good-humoredly thanked Mr. Evans

for helping "a poor Senator in need" and recalled that a Kansas City banker hadn't been willing to lend him the money.

Mr. Truman also told the guests, who included more than 100 Washington bankers, Government officials and District personages, that he "never had any fear of bankers" because he "almost became one" himself. During his teens he worked in a bank, starting at \$35 a month and advancing until he earned \$125 being responsible for "a million dollars in one cage."

Toastmaster at the dinner was WILMER J. WALLER, president of the Hamilton and former treasurer of the American Bankers Association. He presented Mr. Evans a check for \$1,000, gift of the bank's employees.

Mr. Evans said the three Trumans were "ideally thoughtful, uniformly courteous and cooperative customers."

Other speakers were B. M. Mc-Kelway, editor of the Washington Evening Star, and Dr. Walter A. Bloedorn, dean of the George Washington University School of Medicine.

Mr. Evans' first banking job was as a runner for Riggs and Company, predecessor to the Riggs National Bank. Charles C. Glover, the senior partner, told him, "You're only temporary and on trial, Evans"—but "Josh" remained a Riggs man for 30 years, advancing to a vice-presidency. From the Riggs bank he went to the District National Bank as executive vice-president, later becoming its president. In 1933 he was prime mover in the organization of the Hamilton.

Mr. Evans is widely known in the American Institute of Banking. A charter member and past president of Washington Chapter, he was one of the first three trustees elected when the organization's chapters got representation on the controlling board in 1907.

He is active in the D. C. Bankers Association and its former president, and has many civic interests.

ent, and has many civic interests Stockton Made Chairman of Wachovia Bank

RICHARD G. STOCKTON, previously senior vice-president and senior trust officer of the Wachovia Bank and Trust Company, Winston-Salem, North Carolina, has been elected chairman of the board.

The executive functions of the bank will be divided between the (CONTINUED ON PAGE 20)

President Truman attends the Hamilton National Bank's dinner for its retiring vice-president, Joshua Evans, Jr., right. Others in the picture, are, l. to r., B. M. McKelway, editor of Washington Star; President Wilmer J. Waller of the Hamilton; and Dr. W. A. Bloedorn, dean of George Washington University medical school





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Over a period of time, Mellon National Bank has prepared and used a large number of local newspaper advertisements—on such subjects as Savings and Checking Accounts, Installment Loans, Mortgage Loans, Business Loans, Bank-by-Mail Service, etc.

These advertisements have worked for us. We believe they will work for our correspondent banks, too. So we are now making them available in mat form, with copy which you can adapt as desired to fit your own needs. From time to time, new series of ads will be made available.

If you are in a position to benefit by this "Advertising Idea Service," a request on your bank letterhead will bring you a copy of this portfolio.

MELLON NATIONAL BANK AND TRUST COMPANY

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YOUR PROBLEM:

Profitable new customers

OUR SOLUTION:

We'll supply 'thinking cap',
'elbow grease' and 'legwork'

DETAILS:

For your Commercial Department:

Thrifte Check, the complete Special Checking Account Plan, including operating forms and volume-producing advertising—without investment by you. Checks 'personalized' on your premises. (Also, your Regular checks.)

For your Savings or Thrift Department:

THRIFTSURANCE, the greatest incentive to save ever devised! Customer's savings goal insured against sickness, accident and death. Also, SAVESURANCE, with life insurance only.

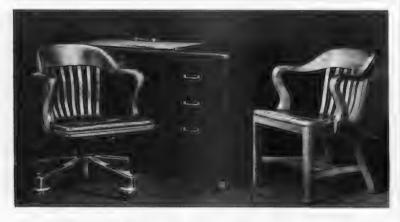
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The appropriateness of the "Bank of England" design wherever a business-like atmosphere of integrity and confidence is desired, has never been surpassed. To this popular design SIKES has added new concepts of comfort, has individualized the style. . . with smoothed-out contours, generous dimensions, rounded and broadened corners and edges. And, painstakingly wrought in finest hardwoods, SIKES "Bank of England" is as far ahead in construction as it is in looks. Available in variety of finishes to match any furniture. Write for Folder F-75.

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For over 85 years Builders of Fine Seating for Every Executive and General Office Use





R. G. Stockton

C. A. Bethel

(CONTINUED FROM PAGE 18) chairman and President ROBERT M. HANES, who has returned to active duty after holding key posts with the Economic Cooperation Administration in Europe. During Mr. HANES' leave of absence Mr. STOCKTON was acting president of the bank. The two will share in the general management and policy-making of the Wachovia.

In other elections CARLYSLE A. BETHEL, formerly vice-president and trust officer at Winston-Salem, was made senior vice-president and senior trust officer, heading the bank's trust organization. Vice-president FRANK J. WOLFE, head of the time payment department, was also made a senior vice-president.

This is Mr. HANES' 20th year as president of the Wachovia.

H. F. Taylor New Executive Director of Consumer B. A.

HARTWELL F. TAYLOR, who has been vice-president of The Bank of Virginia, Richmond, and is immediate past national president of the American Institute of Banking, was elected executive director of the Consumer Bankers Association of Washington, D. C., effective March 1.

Mr. Taylor, a Richmond banker for more than 25 years, joined the staff of The Bank of Virginia in 1933 and was elected a vice-president in 1950. He has directed numerous departments in the bank and was with its correspondent banking division when elected to his new position.

His activities in the A.I.B. include the presidency of Richmond Chapter, the chairmanship of several national committees, and membership on the Executive Council. He concluded his term as national president at the Institute's Golden Jubilee convention in Minneapolis last June.

He is a member of the board of Regents of The Graduate School of Banking.

(CONTINUED ON PAGE 22)



Your Christmas savings plan can be a headache ... or a head start to good new business, Depends

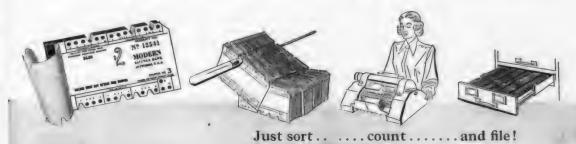
on how you handle it.

More than ten million Americans make regular bank deposits in Christmas savings plans. One third of those savings wind up in permanent accounts. With more than a billion dollars involved, that's big business with a big future.

But mounting clerical and accounting costs are causing some banks to discontinue their Christmas savings plans.

No need for it. Not when a bank can turn its Christmas savings problems over to modern, economical McBee Keysort cards and machines. With pre-punched Keysort coupons as deposit-account slips, a bank needs no special tellers, no stamp inventory accounting and pasting, no passbook posting. Customers are saved waiting-line delays, tellers spared wearying details. And the accounting involves merely sorting, counting and filing the Keysort slips.

A Christmas savings plan can produce a lot of extra business for your bank . . . without a lot of extra work. The trained McBee representative near you can give you full particulars. Ask him to drop in now. Or write us.



THE MCBEE COMPANY

Sole Manufacturer of Keysort—The Marginally Punched Card 295 Madison Avenue, New York 17, N. Y. Offices in principal cities The McBee Company, Ltd., 11 Bermondsey Road, Toronto 13, Ontario

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When you think of PITTSBURGH and Defense Production Financing...



Pittsburgh is once again swinging its industrial might to the production of weapons and equipment for our national defense. Today, the nation's arsenal-which made one-third of the steel used by our armed forces and produced 19 billion dollars worth of weapons during World War II—has even greater production capacities.

Peoples First National is again offering its specialized services in the financing of defense contracts ... services which were developed during the last war, when it handled a large number of war production loans as one of the leading banks in defense financing. This experience is available to those Correspondents who find it desirable to have local participation in cases where their customers' defense contracts are centered in the Pittsburgh area. The opportunity to co-operate in defense financing will be welcomed.

PEOPLES FIRST NATIONAL

BANK & TRUST COMPANY

Pittsburgh 30, Pa.

Member F. D. I. C.



H. F. Taylor

H. E. Randall

(CONTINUED FROM PAGE 20)

In his new positon he succeeds W. Albert Hess who becomes vice-president of The Bank of Virginia, in charge of a commercial development program for the bank's three offices in Norfolk.

Vice-president HAROLD E. RAN-DALL of The First National Bank of Boston has also been elected comptroller, succeeding WILBUR F. LAW-SON who was forced to vacate that combined office because of ill health. Mr. LAWSON had completed 25 years as the bank's comptroller. Mr. RAN-DALL is an alumnus of The Graduate School of Banking, Class of 1939, and has been on the school's faculty since 1942. He is a member of the A.B.A. Committee on Savings Management and Operations and the Trust Division Committee on Costs and Charges. He is also active in the Massachusetts Bankers Association, the Committee of Banking Institutions on Taxation, and the Boston Clearing House Association. He has been with the First National since

Girard-Corn Exchange Philadelphia Merger

A PROPOSAL for the consolidation of the Corn Exchange National Bank and Trust Company and Girard Trust Company, of Philadelphia, has been informally approved by the boards of the two banks, said an announcement made early in February.

A detailed plan to effect the merger, under the name Girard Corn Exchange Bank and Trust Company, a state-chartered institution, was taken under consideration by counsel for both banks preparatory to action by the directorates, stockholders and government authorities.

It is proposed that DAVID E. WILLIAMS, president of Corn Exchange, be board chairman of the combined bank. JAMES E. GOWEN, Girard's board chairman, will be

chairman of the executive committee, and Geoffrey S. SMITH, Girard's president, will be president.

There will be four senior vicepresidents: George R. Clark and Russell J. Bauer from Corn Exchange, and J. Malcolm Johnston and Basil L. Harlow from Girard Trust.

All personnel of both banks will be needed by the new one, the announcement stated.

The banks had combined resources of more than \$500-million, with deposits exceeding \$490-million, on December 31, 1950.

Dr. Karl T. Compton, president of Massachusetts Institute of Technology and prominent atomic physicist, has been elected a Class C director of the Federal Reserve Bank of Boston.

Fulton National Bank of Atlanta has promoted Mrs. HELEN PACE THOMPSON to vice-president. Mrs. THOMPSON has been in banking since 1923. In 1925 she and her husband founded the Peachtree Road Commercial Bank at Buckhead which became the Fulton's first branch. She was made an assistant vice-president of that bank in 1948 and is now the first woman vicepresident of any Atlanta bank. Mrs. THOMPSON has been treasurer of the Association of Bank Women. Other promotions at the Fulton: ADRIAN Assistant vice-president, F. KIRK; assistant trust officers, JULIAN D. HALIBURTON, CHARLES WRAY.

WILLIAM G. RABE, vice-president and director of Manufacturers Trust Company, New York, has been named chairman of the trust committee to succeed the late ERNEST STAUFFEN. Mr. RABE is a trustee of the estate of the bank's late president, HARVEY D. GIBSON.

(CONTINUED ON PAGE 24)

W. G. Rabe







A world-wide banking service...



for businesses and in-

As your Chicago correspondent

The Northern Trust Company provides you and your customers with every foreign banking service

You will find The Northern Trust Company's long established facilities, wide experience and relationships abroad of great help in all of your foreign requirements. Special facilities are provided for the speedy and accurate handling of all export and import collections,

remittances and credit information. Transactions are made direct with leading banks everywhere. In The Northern Trust Company's Foreign Department, as in all other departments, you will find quick, personalized attention to your needs.

NORTHERN RUST COMPANY

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- · No one-man team here -but an efficient staff. all well qualified to see your affairs through to a successful conclusion. Call on any one at any time.

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OF PHILADELPHIA

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



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L. D. Lea





R. C. Cardner







D. C. Bevan

(CONTINUED FROM PAGE 22)

At the First National Bank in Houston James D. LEA and ROLAND C. CARDNER have been promoted to vice-presidencies. W. E. BRIDGFORTH was made assistant vice-president. GROVER ELLIS, JR., assistant cashier, and Mrs. SARITA FLYNN, assistant trust officer.

ALEXANDER FRASER, chairman of the executive committee of Shell Oil Company, has been elected to the board of Mercantile-Commerce Bank and Trust Company, St. Louis. LESLIE K. CURRY has been advanced to vice-president and comptroller of the bank and of its affiliate. Mercantile-Commerce National Bank, Other appointments at the former include: auditor, Winston G. ETTLING; assistant vice - presidents, John E. HAUSS, STUART MURPHY, EDWARD A. HUWALDT; assistant cashiers, THOMAS R. CRONE, WILLIAM G. MOORE, JR., GEORGE L. ESCHBACHER: assistant trust officers, EDGAR L. TAYLOR, JESSE M. BRISTOW, OLIVER J. WILKINS, HENRY J. MOHRMAN; assistant auditor, EUGENE F. BACH-MANN.

Promoted at the Crocker-First National Bank of San Francisco: Vicepresident and trust officer, R. V. WALSH, E. F. LAWRENCE; trust officers, E. T. HANNON, F. P. GRAY: assistant vice-presidents, F. R. STENT. C. A. CORRASA, ARTHUR MERKT, H. L. KAUFMANN: assistant cashiers, W. A. SHEEHAN, RICHARD M. KING, ALBERT J. RICE, JR., A. C. DE LIMUR, J. D. MIDDLETON, LINGAN A. WARREN, president of Safeway Stores, WILLIAM PFLUEGER, vicepresident of the bank, were elected directors.

WILLIAM B. GLADNEY, president of the Fidelity National Bank, Baton Rouge, and former president of the A.B.A. National Bank Division, was elected president of the Baton Rouge Clearing House Association.

DEL E. WEBB, co-owner of the New York Yankees, was elected a director of the Valley National Bank. Phoenix. He is president of the Del E. Webb Construction Company in that city where the Yankees are conducting their spring training. On the bank's board he replaces T. C. McReynolds who withdrew after 28 vears of service.

DAVID C. BEVAN, treasurer of the New York Life Insurance Company, has joined the directorate of Provident Trust Company, Philadelphia.

At the State Street Trust Company, Boston, SAMUEL H. WOLCOTT. CLIFFORD L. LYALL, and S. St. JOHN MORGAN have been promoted to the new office of senior vice-president. ERNEST W. LAY, CLEMENT W. DEASY, WALTER E. DOW, JR., FRANCIS G. SHEPARD, PHILIP J. POTTER and CHARLES DEVENS have been made vice-presidents; EDWARD A. BUL-LARD, treasurer; RAYMOND H. CHOATE and ERNEST H. OSGOOD, JR., assistant vice-presidents: VERNON B. HITCHENS, assistant vice-president and trust officer; RALPH E. SELLARS and John T. G. Nichols 3rd, trust officers.

DELOS C. JOHNS, vice-president, general counsel and secretary of the Federal Reserve Bank of St. Louis, was elected president to succeed CHESTER C. DAVIS, who resigned to become associate director of the Ford Foundation. Mr. JOHNS recently spent several months in Greece as an advisor to the Bank of

Elected at the Peoples First National Bank & Trust Company, Pittsburgh: Vice-presidents, HENRY R. BYERS, F. PERRY JOHNSTON, RAY-MOND S. LIGO, WALTER E. TOTZKE; assistant cashier, HARRY J. WOOD; assistant secretaries, Andrew C. BERGMAN, EDWIN A. HOPKINS.

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525 Wm. Penn Place Corp. Building, Pittsburgh. Pa. This new, 39-story building will get the best in elevator service from its 21 Selectomatic Ele-vators. Selectomatic is the unique Westinghouse elevator control that produces "no-wait" service. The building will be jointly occupied by the Mellon National Bank and U. S. Steel Corporation.

For years, Westinghouse engineering developments sumulated the vertical transportation industry to strive for ever higher standards of quality and efficiency. In every phase of vertical transportation-equipment, maintenance, and service-Westinghouse has been the vanguard for progress.

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March 1951

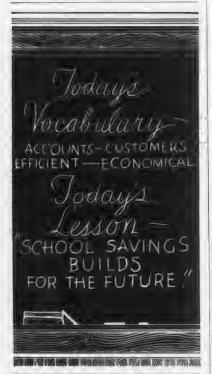


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ARIZONA'S STATE-WIDE BANK

Home Office — Phoenix, Arizona RESOURCES \$268 MILLION

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



(CONTINUED FROM PAGE 24)

WILLIAM FULTON KURTZ, president of the Pennsylvania Company for Banking and Trust, Philadelphia, has also been elected chairman of the board, succeeding the late C. STEVENSON NEWHALL. GUSTAV K. LOESCH and JOHN A. ONSA WERE MADE ASSISTANT VICE- PRESIDENTS; GEORGE F. HANSMANN, EARLE J. HINKLE, GEORGE R. KNOLL, assistant treasurers; VICTOR W. BEAN and WILLIAM F. DELAFIELD, assistant secretaries.

New directors of the Continental Illinois National Bank and Trust Company, Chicago, are Theodore V. Houser, vice-president of Sears Roebuck and Company, and Robert H. Morse, Jr., president of Fairbanks, Morse & Company. Appointed second vice-presidents: John Q. Adams, Jr., John J. Borland, Chester F. Fitzgerald, Jr., Arthur B. Henderson, James P. Johnson, Selden T. Swope, Alvan E. Wilson, Leo V. Harnden, Harold L. Koetke.

Staff promotions at the Anglo California National Bank, San Francisco: Vice-presidents, Louis B. Everett, Horace K. Welcome, Frank R. Hodgson, John E. Miller, Alfred Thies; assistant vice-president, Arthur C. Lee; assistant cashier, Erwin A. Dankwerth.

P. D. Houston, Jr., has been appointed first vice-president of First American National Bank of Nashville. A. B. Benedict, Jr., and Finis L. Nelson, were made executive vice-presidents, and George R. Knox, Jr., assistant cashier.

Vice-president EUGENE GRENSTED of the Security-First National Bank of Los Angeles has retired after 46 years with the bank. He started his career as a messenger for the Onondaga County Savings Bank, Syracuse, New York. At Security-First

Eugene Grensted P. D. Houston, Jr.





he held virtually every position in banking operations, and at retirement was manager of the head office's banking room.

Promotions at the Valley National Bank, Phoenix: Vice-president, H. E. HARRINGTON (Tucson); assistant vice-presidents, Elmer T. Schall, Andrew P. Loper; assistant cashiers, G. Clarke Bean, Charles E. Kassel, Cecil E. Giffen, W. Glenn Johnson, John H. Rhuart, Russell L. Bergstrom; assistant auditor, Earl Bimson; assistant trust officer, Roy C. Swingle.

MARTELL MARLER has been made vice-president of the American National Bank, Idaho Falls, Idaho. Dean W. Schulz was advanced to cashier, and J. E. Johnson was named assistant vice-president. Messrs. Marler and Schulz are alumni of The Graduate School of Banking.

CHARLES G. GARNETT and HARRY F. TAPPEN are newly appointed assistant vice-presidents at Bankers Trust Company, New York. LLOYD CLARKSON was made assistant treasurer.

Andrew H. Miller was elected vice-president of The Montclair (New Jersey) Savings Bank.

CLARENCE G. IVEY, formerly vicepresident of the National Shawmut Bank of Boston, is now executive vice-president of the Chittenden County Trust Company, Burlington, Vermont.

Mercantile National Bank of Dallas has promoted C. GLENN COLE to vice-president and cashier; HOWARD A. LUND to assistant vice-president; TROY HILTON and JIM NICHOLS to assistant cashier; and GEORGE S. ROOKER to assistant trust officer.

(CONTINUED ON PAGE 28)

C. G. Ivey

C. G. Cole





BANKING



Local industries are calling upon their banks for help in solving an ever-widening variety of financing problems.

How to keep abreast of the needs of your customers

• Today, your customers are confronting an ever-increasing number of problems . . . and many of these problems challenge you as never before. For as banks are called upon to counsel and serve in new and widening fields, they must equip themselves to do so.

Supplementing their own experience and facilities, many banks find Irving Trust's specialized knowledge in various industries

and its complete range of correspondent services of exceptional value today. Helping correspondent banks to build more incomeproducing business is one of Irving Trust's important jobs.

No doubt you have heard the saying, "You can always bank on Irving service." We are confident that any Irving correspondent will tell you that.

IRVING TRUST COMPANY

ONE WALL STREET . NEW YORK 15, N. Y.

WILLIAM N. ENSTROM, Chairman of the Board

RICHARD H. WEST, President

Domestic Banking Division, Nolan Harrigan, Senior Vice President in Charge

Capital Funds over \$117,000,000



Total Resources over \$1,300,000,000

Member of the New Coast-to-Coast "BANK WIRE" System

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

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F&D has specialized for 60 years in meeting the bonding and insurance needs of banks and other financial institutions, and makes its services readily available to them through more than 9,000 experienced local representatives.

Bankers and Brokers Blanket Bonds
Savings and Loan Blanket Bonds
Court and Fiduciary Bonds
Lost Securities Bonds
Burglary, Robbery, and Forgery Insurance
Safe Depository Liability Insurance
Safe Deposit Box Burglary & Robbery Insurance
Valuable Papers Insurance
Securities Insurance
Glass Insurance



FIDELITY and DEPOSIT

COMPANY OF MARYLAND

Founded 1890-Baltimore, Md.

AFFILIATE: AMERICAN BONDING COMPANY OF BALTIMORE

(CONTINUED FROM PAGE 26)

Marshall & Ilsley Bank, Milwaukee, announces these promotions: Vice-president, C. RAY COOK; assistant vice-presidents, Othmar J. Roehl, Elmer J. Gerlach, Alfred R. Scott; assistant cashiers, E. I. VAN HEUSEN, CHESTER A. JOHNSON, GEORGE W. BEYER, DONALD N. BAXTER, WERNER BLOM, EMIL KUJATH; auditor, Carl A. ZIMMERMAN.

C. Allison Scully has been appointed adviser to the president at the Corn Exchange National Bank and Trust Company, Philadelphia. George R. Clark succeeds him as executive vice-president and Russell J. Bauer has been made senior vice-president. Other promotions: Cashier, Orville H. Beadle; assistant vice-presidents, Charles E. Baus, R. David Conner.

J. VINCENT O'NEILL, president of the Mercantile National Bank of Chicago, now holds the additional post of board chairman. Mr. O'NEILL, who was with The National City Bank of New York for a quarter century, is a past president of New York Chapter, American Institute of Banking and was a member of the A.I.B.'s Executive Council. He came to the Mercantile as vice-president in July 1949.

STUART ADAMS LYMAN, formerly vice-president and comptroller of The Franklin Savings Bank, New York, is now president, succeeding HENRY J. COCHRAN, who was made chairman of the board.

JOHN E. HASTINGS, formerly vicepresident of the Florida National Bank, Pensacola, has been elected president, succeeding ROGER L. MAIN who remains as a director. JAMES W. ANDREWS, active in the bank since his first job as a runner 50 years ago, retired as an officer and was elected a director. He has served

(CONTINUED ON PAGE 30)

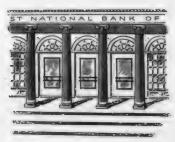
J. E. Hastings

S. A. Lyman









These 10 keys open the way to greater posting liciency

The modern way to post depositors' checking accounts is with the UNDERWOOD SUNDSTRAND Bank Model Accounting Machine

More work . . . in less time . . . with less effort . . . that's a thumbnail description of results after you install Underwood Sundstrand.

Management likes it because greater efficiency means lower costs; higher profits.

Employees like it because the Underwood Sundstrand Bank Model Accounting Machine is so

One big reason for this approval is the convenient 10-key keyboard. This is the simplest keyboard easy to use. ever devised for an accounting machine.

Underwood Corporation

Accounting Machines ... Adding Machines ... Typewriters ... Carbon Paper ... Ribbons New York 16, N. Y.

Underwood Limited, Toronto 1, Canada One Park Avenue

Sales and Service Everywhere

Fast, accurate, touch-operated . . . this logically arranged 10-key keyboard adds speed to an operator's job . . . while it cuts tiresome head-swing,

Available with or without the Automatic Check and its attendant errors. Count Feature, this Underwood Sundstrand model can be applied to the Single or Dual plan of post-

Get the whole story on the Underwood ing checking accounts. Sundstrand Bank Model. Our new folder, "The Modern Way" gives full details. The coupon will bring you your copy. Mail it today.

UNDERWOOD CORPORATION One Park Ave., New York 16, N. Y. Please send me your folder on the new Underwood Sundstrand Bank Model Accounting Machine for post-Gentlemen: ing Depositors' Checking Accounts. Your Name-@ 1951 State Address_ Zone.

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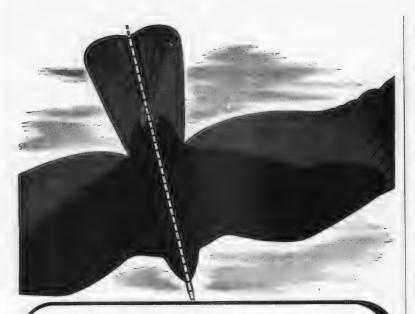
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STRAIGHT AS THE CROW FLIES to TULELAKE or CALEXICO*

Through its California-wide service (yours through one account in Los Angeles or San Francisco) Bank of America gives you direct routing to cities and towns throughout the state. This personalized service preserves the "human touch" in your correspondent relationships as well as providing speed and efficiency in the handling of California transactions.

*The Northernmost and Southernmost California communities served by Bank of America branches. Over 300 other California communities have one or more Bank of America branches.

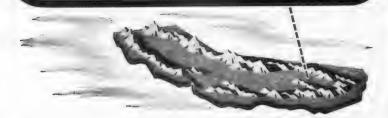
Bank of America

NATIONAL TRUST AND ASSOCIATION



Bank of America Travelers Cheques are known the world over. Sell them to your customers.

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



(CONTINUED FROM PAGE 28)

as senior vice-president. Another new director is WILLIAM SINTON, rear admiral USN (retired) who has been with the bank since his retirement from the Navy in 1949.

Bankers Trust Company of New York has elected Alfred G. Ruehle to a vice-presidency. He was formerly with Manufacturers Trust Company where he became a vice-president following merger of Brooklyn Trust Company with that bank. Raymond T. Anderson and Paul J. Miller are newly elected assistant treasurers of Bankers.

Guaranty Trust Company of New York announces election to its directorate of RAYMOND C. GAUGLER, president of American Cyanamid Company.

Dr. ALEXANDER G. RUTHVEN, president of the University of Michigan, has been added to the board of the Ann Arbor Trust Company.

WILLIAM L. DEBOST, chairman and former president of the Union Dime Savings Bank, New York, died January 18. He was 80 years old. Mr. DeBost was active in the Savings Banks Association of the State of New York and was a former chairman of its Group IV.

RICHARD R. SCHILLING has been appointed a vice-president of Manufacturers Trust Company, New York, in charge of upper Manhattan and Bronx offices.

CLAIR M. RODDEWIG, president of the Chicago & Eastern Illinois Railroad, was elected a director of the Chicago National Bank. Albert DROZDA, JOHN C. MAULDING and FRED O. SACK were made assistant vice-presidents and MARK S. WILL-ING, assistant cashier.

(CONTINUED ON PAGE 86)

C. M. Roddewig

R. R. Schilling





BANKING

AUDOGRAPH

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Capacity for with Gray

AUDOGRAPH

your correspondence output increases up to 30% and more with less effort ... and the same man-hours!

If you are not yet concerned about

being caught shorthanded due to the National Emergency, you may be . . . and sooner than you think!

AUDOGRAPH dictation brings to you and your staff the ingredients ABC... Added Business Capacity ... the means of maintaining personal and office output despite a possible loss or curtailment of personnel.

Before a personnel shortage strikes, investigate AUDOGRAPH ABC. Just mail the coupon as the most important step you can take toward preparing for the growing pressure to produce.

AUDOGRAPH sales and service in 180 principal cities of the U.S. See your Classified Telephone Directory—under "Dictating Machines." Canada: Northern Electric Company, Ltd., sole authorized agents for the Dominion. Overseas: Westrex Corporation (export affiliate of Western Electric Company) in 35 foreign

Dictating and transcribing are E-A-S-I-E-R



The Gray AUDOGRAPH: the ideal dictating and transcribing machine that records on thin, lightweight. long-lasting plastic discs, each holdingupto one hour's dictation or other types of recording. These discs can be resurfaced for reuse up to 50 times and more. You don't have to throw them away after one recording!

AUDOGRAPH is made by The Gray Manufacturing Company, Hartford,

ELECTRONIC

Send me Booklet 3-U—"Now We Really Get Things Done!"

Name....

Title......Firm.....

Conn. - established 1891 - originators of the Telephone Pay Station.

Street.....City.....

THE GRAY MANUFACTURING COMPANY, HARTFORD 1, CONNECTICUT

TRADE MARK "AUDOGRAPH" REG. U. S. PAT. OFF.



Sell the Travellers Cheques that sell your bank to everyone who sees them!

THESE TRAVELLERS CHEQUES have the name of your bank printed in the lower left hand corner—at no cost to you.

It is an extra service of The First-typical of the many extras enjoyed by our customers and correspondents.

You retain the entire commission when you sell Travellers Cheques of The First National Bank of Chicago; remitting to us only the face value of the cheques you sell.

For these two reasons you increase your bank's revenue

and increase your bank's prestige—both at the same time—when you sell these Travellers Cheques that sell your bank to everyone who sees them.

Suggest them to your customers for both vacation and business use. They have provided protection for travel funds for more than 40 years, and can be spent anywhere in the world—just like cash. For details write our FOREIGN BANKING DEPARTMENT.

The First National Bank of Chicago



Dearborn, Monroe and Clark Streets Building with Chicago since 1863

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

BANKING

Citations, such as the

one illustrated at the right, were issued to the

banks whose advertising campaigns are shown on the next 11 pages,

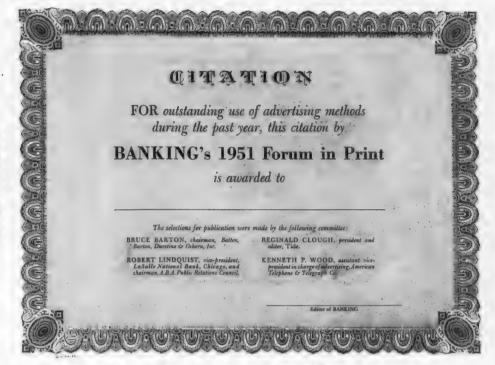
and to a number of institutions whose advertising was considered of unusual excellence but was not selected by the

judges for publication

in this issue of BANKING

MARCH 1951

JOURNAL OF THE AMERICAN BANKERS ASSOCIATION



Banking's Forum in Print

You're probably familiar with the jingle that contrasts the public relations techniques of the codfish and the hen. The former lays 10,000 eggs and keeps quiet about 'em; the hen produces one and makes a big fuss.

"And so we scorn the codfish
While the humble hen we prize,
Which only goes to show you
That it ways to advertise."

Bypassing a hen-codfish debate, we hasten to report that BANKING'S 1951 Forum in Print offered plenty of evidence on the extent to which banks are speaking up—and not about one subject, either.

Entries in the Forum—the judges selected the 10 programs sampled on the following pages—showed that today's bank advertising is putting more and more emphasis on activities which, at first glance, seem far removed from the banking business. Ranging from such interests as local business and businessmen to a strikingly effective reminder of the differences between the communistic and democratic ways of life, these public messages can hardly help but accomplish advertising's major purpose, making friends.

The unmistakable trend toward friendliness, informality, human interest, and a generally relaxed approach to closer relations with the public seems to be putting the emphasis less on an immediate dollars-and-cents return to the bank than on goodwill toward present and potential customers. This practical altruism finds expression in ad copy that pictures and plugs local

business and local businessmen. It takes into account the never-to-be-forgotten fact that people are deeply interested in other people—an approach, incidentally, that shows banking itself as a very human activity.

"For outstanding use of advertising methods" by banks during the past year Banking awards its Forum Citation. Hundreds of campaigns were represented by the entries. National banks, state banks, savings banks, and trust companies sent us samples of the stories they told their publics during the past year. General and special purpose campaigns—here and there a single idea—came in from all parts of the country, and from Canada, too.

The judges were Kenneth Andrews, of Batten, Barton, Durstine & Osborn, Inc., advertising agency, substituting at the last minute for the ill Bruce Barton; Reginald Clough, president and editor of *Tide*, the advertising magazine; Robert Lindquist, vice-president of the LaSalle National Bank, Chicago, and chairman of the A.B.A. Public Relations Council; and Kenneth P. Wood, assistant vice-president in charge of advertising, American Telephone & Telegraph Company.

From the mass of entries were selected those cited for brief reviews in BANKING. They begin on the next page.

These banks, and numerous others whose advertising programs were accorded mention by the judges, receive Banking's Citation.

On the whole, the Forum demonstrated banks' belief that it pays to advertise—widely and diversely.

NG

A Contrast in Size

Metropolitan

With newspaper space accounting for 85 percent of its media budget, the Northwestern National Bank of Minneapolis launched a campaign with a fivefold purpose—to cover the entire metropolitan area and suburbs, to explain the bank with pictures, to identify each of the 10 banks in the group, to introduce employees and their customers, and to dominate all financial newspaper advertising in the city. Fullpage space (opposite page) was used, and it was supplemented by spot radio announcements, exhibits of various kinds, flower shows, and miscellaneous promotion efforts. This campaign is now entering its third continuous year, with the Northwestern well satisfied as to the results it has accomplished, not only locally but in many distant cities, where parts of the ads have been reproduced and have even been used in schools.

In a Small Community

In contrast to the metropolitan bank's use of large space, as described above, the Columbia Heights State Bank, Columbia Heights, Minnesota, has demonstrated effectively what a small bank in a small community can do with homespun advertising in limited space. Using ads two columns by 6 inches deep, the bank, through the pen of its Vice-president Herb Woodward, told week after week why "I'm proud of America." Mr. Woodward says that as a result of this campaign "we got more people reading our ads and talking about the bank than ever before in our history, and in consequence the number of our new accounts opened monthly doubled, trebled, and even quadrupled."

No. 20 of a series on "Why I'm Proud of America" by our V. P. Herb Woodward. Use with or without credit and if you want free copies — just ask.

I'm Proud of America because . . .

High School Graduates Choose Their Own Jobs

No Commissar Says . . .

"SUZIE - YOU'LL WASH DISHES IN THE TOOL HOUSE AT THE SALT MINES" AND, . . . "OSCAR, . . TAKE THIS WHIP AND RIFLE AND HERD SLAVE LABORERS IN THE LUMBER CAMP".

THAT'S EXACTLY WHAT WOULD HAPPEN TO THEM IN RUSSIA.

WHY DON'T OUR GRADUATES REALIZE HOW LUCKY THEY ARE? WHY DO SOME OF THEM FALL FOR COMMUNISM?

BECAUSE RUSSIA PUT ON A SLICK SELLING CAMPAIGN WHILE AMERICA WAS ASLEEP

AMONG MANY WHO ARE WAKING UP ARE PERFECT CIRCLE CORP., NEW CASTLE, IND. WHITE FOR THEIR "FREEDOM FORUM" IT'S MARVELLOUS.

STATE BANK

COLUMBIA HEIGHTS, MINN

Every Depositor insured for \$5000 by Federal Deposit Insurance Corp. Get one of our Savings Banks for your Youngster. No. 15 of a series by our V. P. Herb Woodward

I'm Proud of America because

We Cheer For The Under Dog

OF COURSE WE ADMIRE A CHAMPION.
EVERYBODY DOES THAT. BUT WE ADMIRE
STILL MORE THE LITTLE GUY WHO PUTS
UP A GRITTY BATTLE AGAINST BIG ODDS.
WHEN JOHN L. LEWIS AND HIS COAL MINERS WERE UNDER DOGS,.....WE ALL CHEERED THEM ON. NOW THAT THEY ARE TOP
DOGS....AND PUSHING AROUND THE REST OF
THE NATION,.....THEY ARE NOT SO POPULAR.

STATE BANK

COLUMBIA HEIGHTS, MINN.

Taxes in any county can be paid here. Bring your notice, we do the the rest. We want your auto loan on new or used cars.

Can Save Time, Money for You, Too...

Customers Hail Convenience of N.W. Bank-by-Mail





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Is a Great Work Saver

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THIS IS SIX MAN—"OOF:"—six man football, we mean—as played at Pillsbury Settlement House, a Community Chest agency. That's John Harrington, 13, 138 20th Ave 5, running into a little opposition, and Coach Donald Backen moving in to pick up the pieces. "Those follows at Fourth Northwestern not only give Pillsbury House good banking service," asys

Backen, "but after hours they pitch in and help us with football and other character-building programs we have here. It's a swell bank." Pullsbury House banks with Fourth Northwestern by mail. . so Backen and other staff members have that much more time to give their job of making Minneapolis a better place to live. See Northwestern for Bank-by-Mail





4TH NORTHWESTERN National Bank brings the busy Seven Corners district some-thing new in the way of bank-ing service . . official U.S.





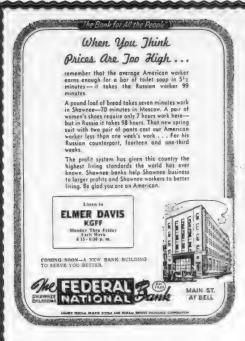
DEAN OF LOCAL GOLF PROS, Willie Kidd of Interlachen, gives a tip to Kathleen Gill, 4611 Brownfale Ave. Kidd has a tip on banking, too-saleo based on long experience. "Go to Northwestern for finedily service." he says, "and bank by mai. That makes banking at Northwestern as convenient as if can be."



"East Side, West Side, All Around the Town"

March 1951

BANKING'S 1951 Forum in Print





Audience at one of the women's forums

Newspaper ad on the advantages of

UR NATIONAL GOVERNMENT is living beyond its income and the burden of taxation grows steadily. Business is worried, and individuals find that wages and salaries cannot keep pace with rising costs in which taxes are a principal and increasing factor.

- ▶ It is situations like this which encourage subversive propaganda, for an uneasy person is susceptible to false prophets, and to hope for a panacea in some new and strange economic or governmental system.
- ▶ The President and the Congress are sweating over a \$42,400,000,000 Federal Budget for 1951 more money than the average wage earner can comprehend.
- ▶ If every person in the nation cashed in his life insurance it would bring about \$44 billion. If every city resident sold his property it would total only \$30 billion. If all the farmers sold out —lock, stock and barrel —there would be only \$25 billion, and if all the industries in the United States turned their net working capital into cash the total would be only \$39 billion not enough to run the Federal Government for a year.
- ▶ In eighteen of the last twenty years the Federal Government has gone in the red, according to U. S. News and World Report. And it's run-

- ning deeper and deeper all the time, steering the richest nation in the world straight down the road to bankruptcy.
- ► The Government isn't a producer—it's a spender, and every cent it spends must come from the pay envelopes or the pockets of the people—from the laborer, the farmer and the businessman.
- A country that can't balance its budget, like a business that runs in the red or an individual who spends more than he takes in, is dangerously near the rocks, and any economic storm may well mean shipwreck.
- Taxes today constitute the greatest menace to our national and personal well being. Government is appropriating more than 25% of our national income and by so doing destroys individual initiative, lowers living standards, and makes it impossible to finance the business expansion which alone can make prosperity endure.
- For government, as for the individual, economy has become an imperative necessity—the only way to obtain tax relief is to reduce government expenditures. Failure to do so will only encourage our progress along the road to socialism and a complete totalitarian state.
- Personal thrift is always good, but it isn't enough.
 National thrift is necessary also.

THE FEDERAL NATIONAL BANK

Shawnee, Oklahoma

MEMBER FEDERAL RESERVE SYSTEM AND FEDERAL DEPOSIT INSURANCE CORPORATION

Public Affairs

For several years the Federal National Bank, Shawnee, Oklahoma, has been impressing on its community the necessity of both individual and governmental thrift and economy. Its best known contribution to this cause was the folder (left) entitled "The Red Threat." The bank used envelope stuffers and newspaper space exclusively in this campaign.

a

A great variety of other media was used to promote public understanding and the bank's services — from bullet pencils to student tours. Forums for women were carried out with great success, and the bank recommends them to other institutions.

The folder that obtained national publicity, with one order for reprints totalling 25,000

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By combining a little thrift philosophy with the fact of its own location "on the sunny side of the square," the Society for Savings, Cleveland, produced a theme and a slogan—with variations—for an effective advertising program, using a variety of media.

At the same time, the Society achieved something distinctive, in as much as its location was unique. The slogan and resultant advertisements were its own and would fit no other thrift institution.

A variety of indicators point to the success of the Society's program—statistics, fan-mail, and public awareness of the organization's services.

What famous
Cleveland bank
is on the
Sunny Side
of the Square?

"Teasers" like the one above were used to start the campaign. They appeared in newspapers Cleveland's Happiest People



save on the Sunny Side of the Square

 Little wonder that Society numbers among its depositors some of the happiest people in Cleveland! For they're the people who are building a safe, secure future—fashioning a peace of mind that is priceless.

A great deal of that feeling of security is due to Society's 101-year-old record of absolute safety, continuous service and uninterrupted dividends. It's the same record that has brought in over 200,000 people to save over \$200,000,000 at Society.

Join Cleveland's happiest folks! Visit us at our handy Public Square location. There's free parking while you bank,

Boriety & Bavings

IM THE CITY OF CLEVELAND
FOUNDED 1849
Member Federal Deposis Insurance Cort.

MAIL COUPON FOR FREE INFORMATION!

Society for Savings 127 Public Square, Cleveland

Please send me free leaflets, telling me how I can build a savings account.

Address_

\ddress_____





Car cards (left) and other media—displays, radio, outdoor advertising—carried the thrift campaign

Mrs. Blandings helped too.



Every wife knows that making a dream house come true takes a lot of planning and a lot of saving. But two heads and two hearts together make sharing and planning a happy job.

You may be saving for a new home, new furnishings or equipment. Whatever it is, as a woman, do remember that the more you know about the banking services your Commerce branch has to offer, the fewer problems you will have in planning, paying, saving.

And as you get to know the manager and his staff you will find how pleasant it is to deal there, how willing they are to help.

The Canadian Bank of Commerce

The Commerce

Aimed at a Favorable Impression

The prohibition against Canadian banks performing some of the services taken for granted in United States institutions, and the fact that the country is officially bilingual, present advertising problems north of the Border not encountered below it. All Canadian banks offer the same services, so that the bank which makes the most favorable public impression will, presumably, get the most new business.

The Canadian Bank of Commerce considers that a fundamental principle in its advertising.

These two pages carry a few samples of the great variety of material submitted to Banking's Forum in Print by "The Commerce."

A series of newspaper advertisements told women that the bank valued their business, invited them to know it better and use its services

To increase national goodwill by publishing short stories was the purpose of a series of four-color doublepage spreads in leading magazines. The art work and the story were made available to weekly newspaper editors and radio stations with no strings attached

THE RETURN

THERE ARE 600 COMMERCE BRANCHES . . . SO THERE'S LIKELY ONE HEAR YOU

or Shward therede



bronds, and later, the scoring flight of the plans southward to the city. He had then a year in and out of loopard, of being caged in the den of city life. But at lost he sat in the park storing mororally at the despena of genomen todes and goese years plots, and the thought oppin of the southlond. An overwhelming monotaling come over him, and he his is threat at

his hoor. He rose and hobbled and the effect shought to the techet office. His bad leg still hurt, but he was going north Sure there was north to could get to do. With escapeate producty he decided hisself for horing taken so long contains to such a simple decision.

Now Jimmy Wolface was back the had, of course, expected some change in the camp Since he left at the place had become a new name in Conada a new place in the world. It was another of shore Gilternin And Camedone on Deriver buildings or do a subsense.

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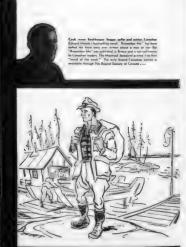
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WALLACE 51
His eyes sportled and he threw out his close
a limit, into wom's forgomen after all?

All at since the smi-clear seemed too bright, Jiamy Wallone publish to ridd mooth standed hat lower dreat his even, and nibbed his chin subble for a time. Then, his housen, he homed evaluable corose the here't to where a next driver stood by the cose door of his cob.

"Elow for notify you going?" he asked.

"Then you re got yourself a passenger", Juni said, and threw his pack up back and boss himself into the cab.









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The Winner!

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INTRODUCING - AT THREE THOUSAND POUNDS
THE CHAMPION BARON FERDINANDIT
OF BASHAN -

You'll win more profits, too, by using better breeding stock. Grading up your herds gives you more milk at less cost, and more beef per pound of feed.

Find out how to improve your livestock. The manager of your local Commerce branch can help you. More than to any other source, Canadian farmers turn to The Canadian Bank of Commerce for loans to mechanize equipment, improve their lands and buildings and modernize their homes.

The manager of your local Commerce branch will understand your financial problems. Talk to him to-day.

The Canadian Bank of Commerce

Room for business growth in Canada

To expansion-minded business men Canada presents new frontiers—a vast new field of enterprise. Its natural resources have not yet been fully developed—its markets are great, but still growing.

M. Berrie

William .

HIM: HE REAL

THE RELEASE

As the banking connection for thousands of U.S. concerns doing business in Canada, we are conversant with the trade situations that may be of interest to you.

The Canadian Bank
of Commerce

We invite your enquiries.

Head Office—Toronto
New York • San Francisco • Los Angele
Seattle • Portland, Ore.
and nearly 600 Canadian Branches

Advertising in United States publications (above) is designed to attract the attention of U. S. businessmen who have interests in Canada requiring a Canadian bank connection, and of U. S. banks who have such businessmen among their customers. It is also intended to create greater understanding of U. S.-Canadian trade relations

The bank prepared a number of booklets, stressing modern farming practice, and pointing out the extent to which modern farming is dependent on finance. The booklets were illustrated by cartoons. (See January Bankinc, page 66.) The distribution of the booklets was supported by advertisements (above) in farm periodicals. The venture is an unqualified success, says the bank

To emphasize that it is a system of branch banks; to maintain and enhance its prestige at the grass roots; and to build staff morale in its branches, the bank used a series of ads in weekly papers throughout Canada. A noteworthy part of this series is the art work, which was done by "name artists"

Keystone of Main Street The towns of Canada are pleasant places. Our town has a character all its own... but ary Canadian feels at home here. There's our bank, for instance... a branch of The Commerce. You'll find one in most towns. And there's our bank manager. He's a projessional man. He's learned from many towns like ours. So he knows how to give the kind of service that comes only with long acquaintance. Yes, our Canadian towns are pleasant places and the mee and emmen, a seem Commerce branch are good people to know. The Canadian Bank of Commerce "The Commerce"

ING



The Theme Is Leadership

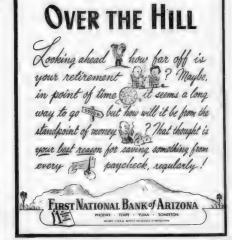
WE are trying to exert leadership—not simply talk about it," says the First National Bank of Arizona, Phoenix, of its advertising program.

An example of the kind of leadership the First National is talking about is the newspaper advertisement at the left, published in connection with Arizona-wide voting on the question of legalized gambling. (The bank's side won.)

Newspapers, radio, television, trade magazines, direct mail and personal appearances are the media used.

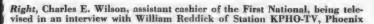
The bank has noted, in addition to its own marked growth, the increasing frequency with which its officers are asked to take part in civic and community projects.

Rebus ads on bank services have been popular





The First National made its own TV commercials, using its employees as actors. Fifteen were made and used in rotation. Above, a moving picture photographer "shoots" the bank's livestock manager, Lyle L. Young, interviewing a cattleman





A Varied, Double Purpose Program

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With the double purpose of increasing the understanding and activity of all banks and of itself in particular, the First National Bank of Boston has made use of television, newspapers, radio, displays and Business publications. The printed advertising is notable for the manner in which it reflects the character of the institution.

The bank's efforts to increase its own business follow four main lines: national loan and deposit business (illustrated at the right); foreign business (lower right); local installment loans, including automobile financing (below), and checking accounts. At the bottom of the page, at the left, is reproduced the first page of the bank's well known New England letter, which is a prime factor in the bank's accomplishment of its first mission named above—increasing the understanding of all banks.



Canada a

New England Letter

The FIRST NATIONAL BANK of BOSTON

Boston, Massachusetts

December 29, 1959

Wiff. Inferme program will be greatly accelerated by the declaration of a natural
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The impact of superimposing a huge instany program on a civilian business bound to be severe and far-reaching as a will invoke in its soope all segments of the national economy.

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have a not modelet in Texas that can process his learn and Allers now. One third of the United States community on our One third of the United States community on the United States community on all in the health of all the positionism of the United States of the United States from other Pergy, source, Government elliums are longiful that our choisers upply may be increased by recoveres from long pilled rose and seed in one. The supply is marson or infrared countries of the transmission of the processor for solver of the transmission of the United States amount was in the bloom of the United States amount was in the bloom of the United States amount was in the bloom of the United States amount was in the bloom of the United States (States).

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Ships, cargoes and lives

Since the first insurance office opened in Boston in 1724, the same Yankee prudence and foreight which built up the commerce of America's oldest industrial region also inspired the growth of the wast business of insurance on property and lives.

Marine and fire insurance on ships and cargoes, causalty insurance, oil ki kinds, life insurance carried by travelers and maritime workers—all of these are a part of the policies written by New English companies which do more than one fifth of the country's insurance business.

The First National Bank of Boston has been associated for generations with these insurance companies. In fact, New England's oldest and largest Bank has had 165 years of experience in adding all types of business—industrial, mercantile and financial.

In foreign trade, this Bank offers to importers and exporters the unrivalled exporence of more than a century and a half, together with the facilities of banking offices in twelve trading centers from Beson to Buenos Aires, and of correspondent banks

In the New England region, this Bank has, in dollar volume, more than one-quarter of all bank loans and nearly one-fifth of all commercial bank deposits. For your domestic or foreign banking needs in any field of business, or for your personal requirements, you will find a connection with The First National Bank of Boston convenient and profitable.



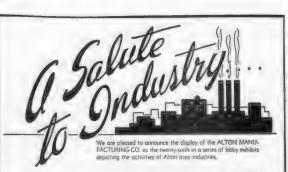
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Lobby Displays Salute Industry

OPERATING in the midst of one of the most diversified industrial communities in the United States, the First National Bank & Trust Company, Alton, Illinois, selected as one of its 1950 advertising themes the idea of a "salute to industry."

Judges in BANKING'S Forum in Print considered the





The ALTON MANUFACTURING CO. was established in December, 1949 and began manufacturing cellulose sponges in March, 1950. It is one of three companies manufacturing cellulose sponges in the United States.

turing callulose sponges in the United Stotes.

Callulose sponges have been available for more than twenty years but only since World
War II when natural sponges were almost impossible to secure have they become widely
used. They are now used by the United Stotes Army, the Nory and the Air Force. Rejar-roads, but lines, hospitals and schooles are all large serse of cellulose sponges. They en indispensable for home use in all cleaning jobs from washing dishes to washing wells. The ALTON MANUFACTURING CO. is planning nation wide distribution of its product under the trade name of CELL-O-TUFF cellulose sponge.

You are cordially invited to visit our lobby during the coming week to see this interesting and educational exhibit as arranged by your own ALTON MANUFACTURING CO.

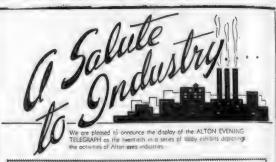
INTERESTING---INFORMATIVE---EDUCATIONAL---

First National Bank.

& TRUST COMPANY in Alton

Capital and Surplus \$1,250,000

HOLE PROPERTY & ALONG DATE



1836 . . . OVER 114 YEARS OF SERVICE . . . 1950

1836 . . . OVER 114 YEARS OF SERVICE . . . 1950

In the atmosphere of security and relaxation of the home, the family reads the local newspoper . . . finds there, factual occument of the latest news, clearly separated from matters of opinion. It finds both sides of controversial issues, printed side by side so that each individual may decide for himself, the course he will follow on any matter—be it for whom he will vort, for whom he will vort. This similabilited access to the truth is a fundamental of democratic society. It is largely responsible for the phenomenal growth of our nation. It must be cherished—zeolossly guarded, that we may carting to the first of our nation. It must be cherished—zeolossly guarded, that we may carting to the first of our nations. It must be cherished—zeolossly guarded from October lat to 8th, serves to remind us all that or approximately 100,000 readers, covering over 50 communities; within 50 miles radius of Alton, pledges unfailing service to the people of these communities; within 50 miles radius of Alton, pledges unfailing service to the people of these communities; in the pursual of truth and factual dissemination of the next.

This exponsibility prompts the ALTON EVENING TELEGRAPH to strive tirelessly, to bring

This responsibility prompts the ALTON EVENING TELEGRAPH to strive tirelessly, to bring you a better, more informative newspaper.

You are cordially invited to visit our lebby and see an educational and informative achibit, supplemented by interesting photographs of Alrois growth and development, translade by ALTON EVENING TELEGRAPH during the coming week.

INTERESTING---INFORMATIVE---EDUCATIONAL---

First National Bank

& TRUST COMPANY in Alton

Capital and Surplus \$1,250,000

THIRD AND BELLE STREETS & ALTON, ELLINOSS MEMBER FEREAL DEPOSIT DISCHARGE COMPORATION

First National's lobby displays as particularly noteworthy. Two of these displays are shown here—one dealing with an Alton newspaper and the other with a manufacturer of synthetic sponges. A few of the other industries in lobby displays were foods, explosives, glass, steel products, and petroleum. In each case, the bank's advertising was keyed to the current lobby display.

While the results of such a program are largely intangible, the bank has received letters, telephone calls and visitors' comments which prove beyond a doubt that the "salute" was an extremely worthwhile program.



Your Dollars are Working Dollars" When Deposited in the Valley National Bank

You deposit your money in a bank primarily for safety and convenience, knowing it will be readily available when you want it. At the same time, you like to feel that it is being usefully employed in building and developing your community.

In the Valley National Bank, your dollars do not remain idle. Together with those of thousands of other depositors, they are put to work in sound, productive loans. Last year, for example, we made 96,822 loans — totaling \$223 million — to Arizona producers and consumers, thus furnishing the financial energy for a major part of the economic activity in the state.



Your dollars, together with those of other Valley Bank depositors, are a



The more dollars you deposit, the more sound, productive loans we can make to Arizona producers and consumers.



These loans, in turn, stimulate the economy-resulting in more business, and creating more employment.



When payrolls increase, more money goes into circulation. More people can buy the things they need and want.



Increased purchasing power benefits both producers and consumers. The result is more prosperity for everyone.



Put your dollars to work for you and more prosperous Arizona, by deposiing them in the Valley National Bani



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VALLEY NATIONAL BANK

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

YOUR VALLEY BANK DEPOSITS HELP BUILD ARIZONA

Lessons in Economics

The "Working Dollars" campaign of the Valley National Bank, Phoenix, Arizona, was an effort to attract deposits by showing how they are put to work for the benefit of an entire state.

The Valley National's new business department reports several million dollars in new deposits directly attributable to the campaign. In addition, business men in the state have a better concept of Valley National's part in the state's development.



Advertisements such as those above were run in eight daily and 36 weekly Arizona newspapers, while transportation advertising, window displays, and counter cards repeated the theme. Two statewide radio networks and several independent stations-16 in all-carried copy on the subject. Reprints of the series were mailed, in booklet form, to employees, stockholders, and major accounts and were widely distributed by mail by the new business depart-ment. Handpainted "work-ing dollar" ties were distributed to business leaders, and bank officers wore them as "conversation pieces"

Special checking account advertising (right), budget savings plan promotion, women's finance forums and other means of reaching the public were not neglected while the "working dollar" theme was being brought to Arizona's attention



A Medley of Media for a Single Purpose

When the City National Bank and Trust Company of Oklahoma City determined to use the bank-agent auto plan—the first bank in that locality to do so—its first step was to interest local insurance men. One means was the leaflet below. Correspondence, telephone calls and a dinner meeting were included in this lead-up phase, and promotion material was distributed to the agents.

A campaign of continuing publicity featured mailings, meetings, outdoor advertising, newspaper advertising, lobby displays and bankagent radio and other promotion.

The City National feels that its bank-agent program has been highly successful, and anticipates increasirgly valuable association with the city's insurance agents.

The first item in the bank-agent promotion program was the invitation folder reproduced below "What you don't know (about new car financing) won't hurt you"

or will it?

Yes because LOCAL new car financing enables you to get friendly help from the people who actually insure and finance your car. . and it array you monty—through a lower LOCAL rate of interest (%). Be sure you get the best deal. Before you buy your new car, call . . .

AGENTS SIG

Coperating with the
City Nathonal Bank & Trust Cempony.

Above is one of the series of newspaper advertisements designed for the use of participating insurance agents



The bank used lobby signs (above) and displays and promotional material on tables where it could be examined by customers

Thousands of dollars
of auto financing and
Insurance writing
are leaving home ...



Let's <u>wrap</u> up this package and Keep it at <u>Home</u>!

At the first dinner meeting, a "kit" containing a variety of promotional meeting was distributed to the agent-guests. The advertisement on the right was included in the kit and was used later on in the promotion campaign, also

A great deal of material was used which could not be reproduced here, such as letters to agents, post cards inviting them to meetings, proofs of advertisements, credit cards, counter cards, posters, billboards, blotters and a variety of envelope stuffers





Monetary Problems

LAWRENCE STAFFORD

As REPORTED last month in BANK-ING, Secretary of the Treasury Snyder addressed the Board of Trade in New York to announce that financing of new issues during the present defense emergency would be carried on "within the pattern" of the $2\frac{1}{2}$ percent rate.

Later Secretary Snyder, in an interview reported by Felix Belair, Jr., of the New York Times, said:

"It should be understood thoroughly that an increase of as much as 1/2 of 1 percent in the average rate on long-term Government securities would mean an increase of \$1,500,000,000 in annual carrying charges on the public debt. Unless provision were made for this increase in the form of new and higher taxes not now in contemplation, it would mean a return to deficit financing by the Federal Government. And I can think of no more inflationary development at this time when the defense mobilization program is getting under way . . .

"... we are asked to do this just to support a theory that higher rates might have a retarding influence on inflation when actual experience shows that the effect, if any, would be negligible. . . . "We cannot indulge ourselves in the luxury of experimenting with rates and keeping the securities market in a dither at a time when there is \$39-billion of defense mobilization that has to be financed."

President Allan Sproul of the Federal Reserve Bank of New York, addressing the midwinter meeting of the New York State Bankers Association, referred to the matter in this way:

"It (Mr. Snyder's position that financing will be handled within the $2\frac{1}{2}$ percent pattern) runs the risk of falling short of attracting willing nonbank investors in the first instance, and of creating reluctant holders of Government securities for the longer run.

"We must have learned from our experience during and following the last war, with respect to market bonds, and more recently since the Korean fighting started, with respect to savings bonds, that these are real risks. If these risks were realized, they would mean that too much of our financing would sooner or later be done with bank credit based on the ready availability of Federal Reserve credit."

Following a recent conference be-

tween Secretary of the Treasury Snyder and Chairman McCabe of the Federal Reserve Board, Senator Robertson of Virginia, chairman of the Senate Banking and Currency Subcommittee on the Federal Reserve, said:

"Since the confidence of the public in the value of Government securities is involved, I hope that partisans of a high interest rate and partisans of a low interest rate will be restrained in their comments until we know whether or not a policy geared to the general welfare can be agreed upon by the two agencies in question."

Reserve Requirements

To a lesser degree the recurring old subject of raising reserve requirements, while not getting frontpage attention, was involved in the discussions of monetary matters. The Federal Reserve Board still desires legislation permitting it to offset what it asserts to be the inflationary potential of bank funds expanded by the purchase of Governments to support the market.

The Council of Economic Advisers, or at least the chairman and vice-chairman thereof, opposed this



HARRIS & EWING

General Eisenhower's appearance before official Washington groups was an event of major importance, but The Great Debate went on. Above, back of the general (in a physical sense) are Vice-president Barkley, Speaker Rayburn, and Senator Wherry, Republican floor leader

plan in a memorandum to the staff of the Joint Economic Committee.

The CEA opposes higher reserve requirements for the reason that it believes a reduction in the capacity of banks to lend will simultaneously diminish the capacity of banks at the same time to finance both expansion of production generally, and war production. Economic expansion still remains the keystone of Administration policy.

Nevertheless, despite the most unequivocal declarations in favor of a balanced budget, strict economy in nondefense expenditures, and thorough-going control over wages and prices, there are many indications, as will be reported in detail below, that the Administration may fall short of achieving an effective control over the causes of inflation.

Before writing off higher reserve requirements finally for 1951, it is worth recalling that, in the 1948 session of Congress, a majority of members turned to larger reserve requirements on a temporary basis as a means of demonstrating that Congress "could do something," particularly something the public generally would not understand, rather than risk being hanged politically for "doing nothing."

There is a striking paradox in

the Administration's philosophizing about inflation control. Throughout all their public statements, officials from the President down have asserted that if inflation is to be controlled, it must be controlled on all fronts. Yet there are strong indications that there will be large gaps in the control of inflation.

When the wage and price control orders were issued, Eric Johnston, the new Economic Stabilization Administrator, stated that a balanced budget "not just for one year, but for two or three years at least," a restoration of confidence in the dollar, and curbs on the use of credit were necessary for inflation control. The record is replete with official adherence to the philosophy that price controls will not work without a balanced budget, and the President repeatedly asserted that the budget will be balanced.

On the tax front, the President in his special tax message still asserted that he means to balance the budget by having Congress close the entire estimated budgetary gap of \$16.5-billion. The President proposed that this be done in two stages. Congress should first quickly enact tax increases of \$10-billion. The balance of \$6.5-billion should be enacted later this year by a bill drawn after more careful study.

The President was advised by his political leaders that it would be impossible to obtain congressional approval this year of any such vast tax increase as \$16.5-billion. So the President "split" the proposal into the two parts. This permits him still to hold a public position of

(CONTINUED ON PAGE 114)

The "E" Bond Plan

HOLDERS of maturing Series E bonds will naturally look to the banks for accurate information on the Treasury's plan for handling these securities.

Here is the plan, as approved by the House:

Option 1—Bondholders, at their option, may receive full cash payment for maturing E bonds. (The fact that bondholders are entitled to full cash, if they want it, should be carefully explained by bankers to inquiring bondholders.)

Option 2—Bondholders may retain their maturing E bonds under an automatic extension for up to 10 years longer, during which time such bonds would earn simple interest at the rate of $2\frac{1}{2}$ percent annually (or $1\frac{1}{4}$ percent semi-annually) for the first seven and one-half years and a sufficient rate thereafter to provide an aggregate return of 2.9 percent compounded semi-annually if the bonds are held to another full 10-year maturity—which is the same as the present rate on outstanding E bonds held to full maturity.

Bondholders would be under no obligation to hold their bonds for the full additional 10 years. Bonds retained under this option would be redeemable at any time at par plus accrued interest.

Option 3—Bondholders may exchange their maturing E bonds for Series G Savings Bonds if they prefer to have bonds which pay them current income from interest payments by the Treasury.



WIDE WORLD

Reminiscent of the "old times" before the war was the recent arrival in Rouen of the Japanese ship *Pacific Maru* with a load of American coal. It was the first Japanese ship in France since "peace" began

The Embattled Dollar

HERBERT BRATTER

WASHINGTON

ITH the thunder clouds of war heavy on the horizon and this nation preparing for the worst, world business becomes more and more what governments decree. Uncle Sam's import shopping list is long and urgent; and to its ends he is commencing to shape the large gift and loan programs whose flow continues uninterrupted despite our unbalanced budget. Our hunger for world raw materials is offset by the world's gnawing appetite for the products of our factories and farms. A process of high-level maneuvering has started, to see which side drives the most advantageous bar-

The Latin American foreign ministers, for instance, meet this month to discuss, in general terms, the con-

ditions for expanding their production of materials. They want assured supplies of our goods, like autos and tires and other peacetime

NEW ORGANIZATION ENVISAGED

Whereas during the war a combined raw materials board was set up by the allies, present plans envisage a broader and looser international organization. In January, the U. S., UK and France agreed to submit to other countries proposals to create a number of standing international commodity groups representing the producers and consumers of the free world. These groups would make recommendations to their governments as to commodity agreements. Also, there will be in

Washington a temporary central group to service the others. The arrangement will be broader than the Organization for European Economic Cooperation, the North Atlantic Treaty Organization and the Organization of American States, embracing, as well, the scope of several existing international commodity organizations. The ideal is perfect. How the various selfish components function may be another matter. And if the free world's welfare is to be served, care is needed in the application of our resources. For example:

INTERESTING DEVELOPMENT

A project which the International Bank for Reconstruction and Development is helping South Africa to develop is the new and extensive

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Rebuilding Japan

HISATO ICHIMADA, governor and chairman of the Policy Board of the Bank of Japan, has made the following statement to BANKING:

THANKS to the generous and wise aid of the American people and to the guidance of General Douglas MacArthur, the Japanese economy has recovered to a point where it can, in the near future, become self-supporting.

After the peace treaty, when United States Government aid may be curtailed or suspended, we will still require important financial assistance, but it can, at that time, safely be shifted to a commercial basis.

Japan is called upon to be a barrier against communist domination, and we are determined to contribute with toil and sacrifice to the cause of the free democratic nations. Only by assuring the victory of that cause can we hope for the peace with freedom which is vital to Japan as a trading nation.

While American investments in Japan can be considered safer now than before the Korean war, because of the deeper interest the United States has today in that area, safety and immediate profit should not be our main considerations.

We are no longer in a period of rivalry between nations. Two worlds are confronting each other. It is logical and necessary that the Japanese economy be integrated in the over-all defense economy of the United States and of the democratic nations. Helping to rebuild Japan, helping her to obtain the raw materials, the ships, and the equipment she direly needs, is not helping Japan alone, but it is erecting that barrier behind which peace can be secured for the community of the freedom-loving peoples.

HISATO ICHIMADA

gold field in the Orange Free State. In a decade that field may add 50 percent to South Africa's already large gold output. A large part of the bank's January loan of \$80-million to South Africa will be used in this gold field. In effect, the South Africans will use the money to dig up the gold to repay the loan; and the gold will find its way to Fort Knox. Another interesting angle: About 80 per cent of the loan will be made in sterling, for Britain is to supply the bulk of the equipment. But, although this international bank has capital supposedly contributed by all its members, it may not use a currency it nominally owns without the consent of the country concerned. And Britain, which already receives gold payment for much of the goods it sells South Africa, would not agree to the bank's lending South Africa sterling which stands to the Bank's credit in London. Bank officials explain the sterling portion of the January loan as necessary because the U.S. will be too busy arming itself and allies to supply the equipment needed for the gold development.

GOLD DUST

For a metal we no longer see in circulation, gold gets a powerful lot of attention in the papers. Intercepting outgoing travellers with gold-lined suitcases is a chore the cus-

toms agents take in their stride. The Bank of France is being chastised for selling gold on the Paris free market for dollars at a premium. France, like all other countries, may buy gold here at \$35 an ounce. When the Bank of France sells the metal at a higher dollar price, in effect it is buying the U.S. dollar at a discount. That is supposed to be against the rules of the World Fund. But members often disregard the Fund, whose prestige seems to be very low. The UK didn't like what the French were doing to the pound sterling a few years ago. And consistently they object to what the Bank of France has been doing to the dollar. It is regarded as no excuse at all for France to plead that the gold it is selling is not the identical gold bought from the U.S. at \$35 an ounce. Even though internal, French gold sales feed the international black market.

BREAKDOWN OF A DREAM

Since it was gold that formed the common link between currencies under the Bretton Woods plan, the undermining of the Fund's system of par values by premium gold traffic indicates how had it is to get nations to set aside their individual interests in favor of "the common good." Cuba has announced plans to set up a free gold market similar to that in French Morocco. Mexico, as an

"anti-inflation" step, has announced that dollar reserves will be converted into gold-at \$35 an ounce, of course -to be freely sold to the public. The Belgian Congo Gold Producers' Syndicate has raised its selling price of "industrial gold." Nationalist China, a Fund member, until recently at least, has been openly selling gold. A Wall Street source points out that virtually all the recent decline in the U.S. gold stock is attributable to earmarking for the UK's account. A South African mining paper hopefully editorializes: "Dollar devaluation is still to come-it could be worth waiting for."

THE SOFTENING DOLLAR

Deak & Company, foreign exchange dealers, through their Washington office, are offering foreign currencies, both banknotes and remittances, at discounts from official parity. In December, for example, the firm was offered sterling notes at \$2.58 and sterling remittances at \$2.68 per pound, as compared with the official parity of \$2.82.

Inflation, which has been gnawing at the dollar at home, also has been working on foreign monies. Australia, prospering on the boom in wool, has this problem to meet. New Zealand's government is likewise vexed with rising prices. Mexico, to curb inflation, is being urged by ex-

(CONTINUED ON PAGE 96)

METHODS and **IDEAS**

This department is edited by John L. Cooley of Banking's staff.

Good Looking, Informative . . .

In general, bank pamphlet reports for 1950 continue the marked trend toward a readable resume of the banking year. They're attractive, informative, inviting.

Some banks issue separate reports for the staff. Here the treatment is more informal, with breakdowns of the income dollar and its expense counterpart. Emphasis is on personnel activities—and there are plenty of interesting pictures.

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One of these reports is published by The First National Exchange Bank of Roanoke, which found its 1949 venture along this line so worthwhile that it plans to make "Your Bank" an annual. President C. Francis Cocke, who is also vice-president of the American Bankers Association, noted (as do many other reports) the serious world situation and then suggested: "Our greatest contribution to our country at this time would be to concentrate our attention on the work in our own community, with a willing-



Here's one bank's method of dramatizing evils of inflation. German money of the early Twenties was purchased at a cost of \$8 per 1,000 pieces, imprinted with some good advice, and then distributed to Tarrytowners

ness to perform whatever other service may be requested by the Government."

Several of the reports comment on that latest trend in bank service and public relations, the women's finance forum. And in many there are affectionate little tributes to the staffers who have gone into national service.

Neat Tie-in

CITY NATIONAL BANK AND TRUST COMPANY of Oklahoma City caught a ride on a popular ballad's band wagon.

"Every day," says the bank, "we read in the Oklahoma City Legal News that our deposit customers have borrowed elsewhere to buy an automobile. When confronted, these

Here are two samples of the cartoons, gently lampooning banking in general and vice-presidents in particular, that again illustrate the annual report of Girard Trust Company, Philadelphia. An innovation in the 1950 pamphlet is the use on each page of a strip of photographs showing the work of a cross section of the bank's customers



"I didn't realize we had so many of them!"



"If he were a Vice-President he'd have three stars on his shoulders."

customers say, 'Oh, do you make automobile loans, too?'

"For a year now we have been promoting the bank-agent plan with lobby displays, supplementing newspaper, stuffer and radio advertising. One evening the thought came to us that we might capitalize on the song that sold a million records in three months—"The Thing.' We brought up a packing box from the vault, then put up a sign pointing down to "The Thing,' and inside the box told the customers of the glory of the City National auto loan.

"People like to look in boxes anyway, and we figure this is one way to get over to our customers once and for all that we do make automobile loans."

A Pleasant Custom

E AST RIVER SAVINGS BANK of New York City doesn't forget the services of its former trustees, living or dead. Each New Year's, President James A. Broderick sends a letter to the men who were once on its board, or to their relatives or descendants, indicating that the bank is still mindful of past contributions to its progress.

More than 900 of these letters have gone to heads of families of the descendants of the 274 trustees who served since 1848.

"The appreciative replies," says the bank, "are heartening to the staff. They indicate a mutual regard and a two-way goodwill spirit."

More Bank Customers from Newspaper Advertising

If bank newspaper advertising is to tap the customer potential, it must offer "specific services to the non-banking masses at a time when each service is most interesting to most people," says a study recently completed by the Bureau of Advertising, American Newspaper Publishers Association.

The study, "Let's Talk About Bank Advertising," emphasizes the need for planned advertising and stresses the effectiveness of copy that connects bank services with human wants. Actual as well as hypothetical programs are discussed.

"Timing, frequency and copy approach," says the Bureau, "determine how successful the bank is in making its advertising dollars produce more business, while keeping



Oklahoma City bank's auto loan promotion

its advertising investment under control.

"Timing puts the particular services before customers when records show customers are most interested in them. Frequency keeps customers alert to the bank's importance to everyone's day-to-day living. Copy approach translates what the bank's services are into what they will do for customers—in the customer's language.

"There is little difference between the services offered customers by the same type banks; there is a big difference in how those services are offered—the way customers are treated. Bank advertising should mirror that all-important personal touch by offering specific benefits in everyday words. Copy that talks about local events, people and incidents adds vitality and interest to bank advertising. However, there is no substitute for testing to fit the bank's advertising program and approach to its own individual opportunities and problems."

The Advertising Department of the American Bankers Association cooperated in the study. If you're interested you can probably get a copy from your local newspaper.

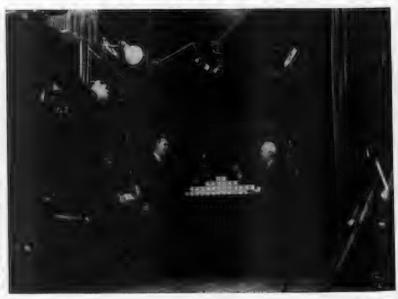
Personal Finances

Bank of Montreal reports unusually good returns from some promotion it did at last autumn's Canadian National Exhibition.

The bank prepared, for distribution to exposition visitors, a booklet, "Personal Planning," which was given only to persons who requested it. Of the 781,000 people who saw the booth, more than a quarter of a million stopped to note some part of the bank's story as told by posters. Furthermore, 27,000 of them asked for copies of the little book, and of

(CONTINUED ON PAGE 82)

Central Bank of Oakland, California, provided a \$1-million prop for a television show spensored by a customer. The program offers to display on the screen anything people want to see, and when one man specified a million dollars the company called on the Central. The cash, in tens, was brought to the studio under heavy guard and briefly exhibited before the cameras. The bank's president, Dunlap C. Clark, stands at the left of the table. Art Baker, the show's MC, is at the right





Government Bonds

MURRAY OLYPHANT

MR. OLYPHANT, on the faculty of The Graduate School of Banking, is a Government bond and money market specialist.

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NTIL Thursday, January 18, nothing of an unusual character had affected the market for Government securities. The yearend Treasury refunding had been completed, with the Open Market Committee acquiring a large amount of the new 13/4 percent notes and indicating willingness to take more at a modest premium if necessary. The willingness of the Treasury to accede to suggestions that the maturity be lengthened at a satisfactory rate had seemed to augur general agreement on Treasury monetary policy. Since the first of the year the market had been firm. All issues of over 5-year maturity, except the ineligible 21/2s of 72/67, which were anchored on a 100 22/32 bid, showed price improvement, with the partially tax free eligible bonds leading the procession. The short term sector simply remained where it was.

Meanwhile, the first two dates on which higher member bank reserve requirements became effective had passed with less pressure on the Federal Reserve portfolio than had been expected. Then, on January 18, at the new York City Board of Trade luncheon, Mr. Snyder, after announcing the terms at which holders could retain and extend their maturing Series E Savings Bonds, also firmly reiterated the intention of the Treasury Department to confine its refunding and new money issues "within the pattern of that $(2\frac{1}{2})$ percent) rate." Moreover, in reference to the effectiveness of alterations in the interest rate in reducing inflationary pressures, he stated "the delusion that fractional changes in interest rates can be effective in fighting inflation must be dispelled from our minds."

It Happened Before

This was reminiscent of the month of October, 1942. On the first of that month there was a near failure of a Treasury financing offer. The terms of the new issues were not in accord with banking desires and subscriptions were finally obtained only by strenuous weekend pressure actually involving repurchase agreements, and resulting in the first example of firm market pegging by the Open Market Committee. As a result, on October 19, 1942, the then Under Secretary of the Treasury, Mr. Bell, publicly announced in an address the pattern for war financing which was maintained thereafter. This address was effective in stabilizing the market and preparing the ground for the success of the First War Loan in December, 1942. As stated by Henry C. Murphy in his review of war financing, "the banking community got enthusiastically behind this loan and the quasiacrimony of October was succeeded by a long era of good feeling."

In the situation today, many feel that the next move is up to Congress. The Board of Governors, through its chairman, may get a chance to tell Congress what additional powers they would like to have, although there are rumors that no definite agreement has been reached as to just what they do want. As effective control necessitates the inclusion of all banks, and as the nonmember banks have been consistently and violently opposed to being included, the likelihood of any clean-cut directive from Congress is minuscle. The subject is a hot potato from a political standpoint and pretty sure to be dropped.

FRB Independence

Like many other theories-the return to a gold basis for examplethe independence of the Federal Reserve authorities in carrying out their statutory directive to control the supply, availability and cost of credit with a view to the best interests of the general economy is simple in conception but extraordinarily difficult in execution. "No one who has participated in the economic policy-making of modern government needs to be warned against the fallacy of a neat dichotomy between policy formation' and operating government." That quotation is from the preface to Federal Reserve Policy-Making by Dr. G. L. Bach.

In a chapter on "Monetary Policy: External Relations" and under a sub-heading, "Reasons for Treasury Leadership," he says: "The reasons for the Federal Reserve's acceptance of Treasury leadership, in spite of the complete statutory independence of the board, are no less real and

(CONTINUED ON PAGE 108)

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Leaders in the textile industry are confident that total output this year will surpass the peak levels of the last war. If this is achieved, synthetics will play a much greater role than at any time before.

In 1941, the United States had a record cotton surplus of close to 13-million bales. In addition, it had several years' domestic wool clip surpluses in the hands of the Commodity Credit Corporation, as well as a huge stockpile held for the British Empire.

Today wool is in extremely short supply and, since outbreak of the Korean hostilities, has risen steeply in price because the scarcity is worldwide.

So far as cotton is concerned, the stock situation is equally restricted, chiefly as a result of two successive poor crops. Taking cognizance of these conditions, Washington has instituted export curbs.

One of the bright raw material spots in the manufacture of fabrics is the synthetics. Production in this field has not only doubled since 1941, but there was also a vast improvement in technology, processing, and finishing. All factors combined are likely to offset shortages of both wool and cotton.

Rayon output last year was about 1,250-million pounds, against 620-million in 1941. Nylon, which has become almost indispensable for such items as parachutes, has also doubled in production in the last decade. It is now about 100-million pounds, compared with 50-million in

1941. Another bright spot is the availability of silk which, of course, was not the case when Japan was cur enemy.

The expansion of synthetic fiber production is by no means concluded. New plants scheduled to come into production later this year and early in 1952 will step up considerably the overall fiber supply of this country and the Western world.

Du Pont, the successful pioneer of nylon and orlon, is marketing another new synthetic, so far known as fiber V. The acrilonitriles, say the experts, are the fastest growing of all textile synthetics. American Cyanamid is increasing its production of the underlying raw material and Union Carbide is making dynel, which contains a substantial amount of acrilonitrile.

Chemstrand, owned jointly by American Viscose and Monsanto, has new plants under way for nylon and acrilonitrile fibers, which will probably be used as an adjunct to rayon rather than as replacements. Other companies are planning comparable and still newer fabrics in the coming months and years.

Thus progress continues, but in the long run the competitive positions (CONTINUED ON PAGE 106)

Other Investments

FORMAL offerings of new securities enjoy excellent investment demand and continue to move rapidly from dealers' shelves owing, in part, to the excellent market for equities.

Utility issues still run in heavy volume and municipals and state flotations are active as well. In the latter category was a recent offering of more than \$19-million by the New York City Housing Authority, and issues by the City of Philadelphia and by the Salt River Project Agricultural and Power District of Arizona.

The investment markets are dominated by inflation psychology and the conviction that, in the long run, prices have a rising tendency. This, obviously, favors stocks over bonds,

especially when high grade equities show also excellent yields unobtainable by debt obligations.

Common dividend payments gained 26.1 percent in 1950. Cash distributions on common stocks listed on the New York Stock Exchange totalled \$5,403,664,000 in 1950, an increase of \$1,119,000,000 against 1949.

Of the 1,039 common share issues listed, more than 89 percent paid dividends. The percentage gain of distributions was largest in the electrical equipment industry, which paid 67 percent above last year.

The average yield in 1950 of the 299 listed common stocks with a 20-year or longer dividend record was 6.1 percent.



The A.B.A. Livestock Committee in session. Left to right, A. C. Sullivan, Idaho Falls; W. D. Embrie, Jr., member, Colorado Bar, Denver; Sam Little, chairman, Colorado's State Planning Commission; J. C. Scarboro, Colorado Bankers Association; Chairman J. H. Bloedorn, Fort Morgan; A. G. Brown, A.B.A.; John A. Reed, Kemmerer, Wyo.; Thomas H. Summers, Colorado A & M; Arthur Sullivan, chairman, agricultural committee, CBA, Haxtun; and D. C. Crouley, Minneapolis

News for Country Bankers

This news covering various aspects of country banking was compiled by MARY B. LEACH of BANK-ING'S staff.

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Livestock Committee

The organization meeting of the Livestock Committee of the Agricultural Commission, American Bankers Association, was held in Denver recently to consider problems facing livestock farmers. Among the topics explored were taxation and the controversy that has existed for a long time between the Forest Service and the range livestock producers.

The Committee also considered the situation from the standpoint of diminishing numbers of cattle and sheep, particularly in the western states that have always been great producing areas.

The grasslands programs of the land grant colleges and the Department of Agriculture was discussed and support was indicated.

The discussions of the Committee were summarized in six points which will be released for publication at the meeting of the Agricultural Commission in Des Moines in March.

"Man of Year"

T. J. COTTINGHAM of Decatur, president of the State National Bank system of Alabama, won recognition twice within the year from the *Progressive Farmer*. In July he was featured in an article in the magazine which related his early farm experience; how it had caused him to feel that somehow farm life must be made to pay better and be more satisfying; and how, as a banker, he set about to do what he could.

In its January issue the *Progressive Farmer* announced the selection of President Cottingham as Alabama's "Man of the Year."

Mr. Cottingham's first step in aiding farmers was to hire a farm agent to help them learn new techniques and practices. Today the bank employs six agents, despite the fact that it does not have an agricultural department. Each agent has a particular county in which he works; however, the bank uses him at branches located in other counties when the need arises.

The State National Bank system is composed of 14 banks in North Alabama.

"I told our directors," Mr. Cottingham said, "that it was bread cast on the water and that it would be five years before we could expect to get our money back. Somewhat to the surprise of us all, the program was paying for itself in two years."

Mr. Cottingham is particularly proud that not one of the bank's 3,400 farm customers has defaulted. The basic requirements for a loan are character and a willingness to work.

Oklahoma's Broiler Shows

Broiler shows, soil conservation, and other cooperative activities that assist 4-H and FFA members are receiving top priority from the agricultural committee of the Oklahoma Bankers Association.

Two years ago the committee organized broiler shows in three counties. Last year the committee expanded its program to take in 10 counties and held 10 successful shows. A certificate of award is presented to each participant.

"These shows have to be held in the same period of 10 weeks," writes Executive Secretary Eugene P. Gum, "and in every instance they (local agricultural leaders) expect us to be present and to take the lead, although we have the finest cooperation from the college, the county agents, vocational teachers, the 4-H, and the banks.

"We are contemplating an addition to our soil conservation program by giving an attractive metal sign to each farmer who receives an award. They are about 20" x 36" in two colors with the farmer's name written in."

There Are Figures and Figures . . .

HERE is an idea used by the First National Bank of Tekamah, Nebraska, in developing an effective newspaper ad:

The advertisement is titled, in bold face: "There Are Figures and Figures." Right under the title are a couple of illustrations showing two dancing girls doing their steps, with this line: "Here Are Some Figures." Under the dancing girls and introducing interesting statistics on the bank appears this line: "And Here Are Some First National Bank of Tekamah Figures."

Before presenting the statement of condition, the bank lists its 1950 volume of deposits, the number of checks paid and the aggregate amount of the checks, and the number and dollar volume of loans made during the year.

The bank's resources are listed at \$4,142,331.88.

Georgia's Credit Course

AT its Farm Credit Short Course held last month at the Agricul-

tural College in Tifton, Georgia, the agricultural committee of the Georgia Bankers Association presented speakers who covered, among other subjects, the following:

"Inflation, the Banker, and the Farmer"; "The Need for More Money"; "Problems Confronted by Bankers in Combating Inflation and in Taking Care of Farmers' Legitimate Credit Needs"; "Cattle Lending—Its Problems and Possibilities"; "The Packers' Problems and Needs"; "The Importance of the Farm Program in Addition to Collateral in Making Sound Farm Loans"; and a panel discussion of "Current Farm Problems."

An afternoon farm tour included an "On the Farm Soil Analysis" and a "Pine Seedling Planting Demonstration."

Kentucky's 1951 Program

N a preamble to an outline of the 1951 agricultural program of the Kentucky Bankers Association, Bluegrass State bankers were reminded "a sizable percentage of the necessary assets for farm operation is provided through loans. Banks have a definite responsibility in providing sound credit to farmers to develop and efficiently utilize the agricultural resources of their respective communities. To do this, Kentucky bankers must have an understanding of agriculture. They must have a vision of the opportunities and be alert to their responsibility to serve farmers."

The association announced that its members will again have the opportunity of attending "On the Farm Meetings," 80 of which in 1950 were attended by over 20,000 farmers.

Georgia bankers attend demonstration of forestry methods and mechanical tree planting sponsored by Fulton National Bank. Among those shown are Erle Cocke, Atlanta; J. B. Weaver, Covington; J. C. Shelor, Atlanta; C. W. Curry, LaGrange; J. S. Peters, Man-chester; J. L. Hendon, Carrolton; H. G. Cliatt, Villa Rica; W. S. Chew

An Agricultural Credit Clinic will be held this year for the first time. "The subject matter," said the Bulletin, "will be highly practical, with discussions devoted to the underlying economic aspects of sound lending practices. The program will emphasize profitable farm organization, practical guides for agricultural lenders, sound agricultural policies, and effective means for bankers to widen their services to the agricultural community."

Another project provides for the cooperation of KBA's agricultural representative with the Department of Vocational Education by attending veterans' classes in many counties of the state for two-hour discussions of farm finance. "It is expected that approximately 50 such sessions will be held and bankers in the counties where the meetings are held will be asked to attend and participate."

Sound Management — Sound Credit

THE theme—"Sound Farm and Ranch Management Builds Sound Credit"—was developed at the second annual Bankers Agricultural Credit Conference, sponsored cooperatively by the agricultural committee of the Florida Bankers Association and the College of Agriculture, University of Florida, in Gainesville last month.

The topics covered at the conference by leading bankers and agricultural authorities included:

First session: "More Bankers Must Get Interested in Agriculture"; "What an Outside Farm and Ranch Program Can Do for Your Bank"; "The SCS Farm Plan and Its Use to You Bankers."

Second session: "The Latest in Agriculture"—a tour of the Agricultural Experiment Station.

Third session: Dinner meeting, followed by an address on "The Backbone of Our Free Enterprise System—Agriculture and Banking."

Fourth session: "New Developments in Agricultural Research and How Banks Can Keep in Touch With Them"; "Why Keep Farm Records and Accounts"; "Good Farm and Ranch Management Pays Off"—a panel that included a discussion of poultry, beef cattle, dairying, and general farming; "Certificates of

(CONTINUED ON PAGE 56)



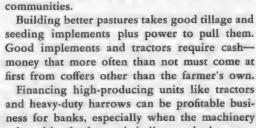


The grazing capacity of this Florida wasteland will be increased six to eight times when cleared and reseeded to improved pasture mixtures. Heavy-duty Case harrows and tractors clear land fast at a low acre-cost, assure maximum utilization of both manpower and fuel.

Paying pastures depend on good seeding. Case Seedmeter drills sow accurately, cover and pack evenly, saving seed and helping to assure a vigorous, profitable stand of grass, grain, legume, or mixture. All units shown here are equipped with time-saving, fuel-saving hydraulic control.



CASE



rinancing high-producing units like tractors and heavy-duty harrows can be profitable business for banks, especially when the machinery selected by the farmer is built to make best possible use of manpower and fuel, and to render long trouble-free service. Such is the equipment that Case builds. Financing the purchase of farm machinery is business, this Company believes, that rightfully belongs to the farmer's own bank. J. I. Case Co., Racine, Wis.

• Eroding cropland and waste acres returned

to grass and legumes are freeing farmers from

the fluctuations of cash-crop markets—are restor-

ing ruined farms to profit-paying production-

are boosting the buying power of entire rural

SERVING FARMERS SINCE 1842

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(CONTINUED FROM PAGE 54)
Award for Farmers and Ranchers';
and "We Need More Diversified
Farmers."

Fifth session: "Would You Have Made These Loans?" — an actual case study of three applications, i. e., a cattle loan, a general livestock loan, and a general farming loan; and "Agricultural Round-up and Summary."

In his call to member banks, G. R. Griffin, vice-president of the Exchange National Bank of Tampa and chairman of FBA's agricultural committee, urged the bankers to bring their county agents with them.

40 States Back 4-H Thrift

By the first of the year about 40 states had organized and were beginning to be active in the 4-H Club thrift program to give 4-H boys and girls an opportunity to help

Harold Mullinix, Jr., 18-year-old 4-H clubber of Mt. Airy, Md., with his business advisor and banker, Herbert S. Hyatt, executive vice-president, Bank of Damascus, as they look over one of Harold's shorthorns and discuss the importance of the national 4-H thrift campaign



America build its "muscle" to resist communism, according to John B. Kimberley, agricultural director of the U. S. Savings Bonds Division of the Treasury Department.

A number of state bankers associations have commended this program. Oscar R. Mennenga, executive manager, California Bankers Association, in a recent *Bulletin* stated:

"Here is a program which presents a real opportunity for every bank in an agricultural area to help build 'All-American' citizens—the kind we need so many of right now."

"The objective," said Mr. Kimberley, "is to encourage the practice of thrift in all forms—daily living and work, bank accounts, insurance, and Savings Bonds." (END)

Banker Turns Marshes Into Productive Acres

Ten years ago when Fulton Cook, banker-farmer of St. Maries, Idaho, bought 1,300 acres of water-logged land covered with cattails and bullrushes along the St. Joe River, folks though he was crazy. Today a shiny new 50,000-bushel granary filled with oats stands on this recovered marshland.

While Mr. Cook is now president of the First Bank of St. Maries, his heart is still very much in farming. He had his first look at the St. Joe marshes 40 years ago, when he left a West Virginia farm to become a lumberjack. Later he went into the cedar pole business. Finally he turned to banking.

Mr. Cook's farming instincts kept Cook harvests bumper crops of king-

cropping out regardless of his occupation and eventually he licked that swamp with a new approach to drainage. He did it by running his ditches around the edge of the march instead of down the middle. His ditches take off the water before it gets a chance to soak the soil.

Mr. Cook has had the cooperation of the Washington Water Power Company in taming the swamp, its engineers working with him in the development of an automatic pumping system. Whenever the water table gets up to within two feet of the surface in the ditches the pumps start whirring.

From this rich farm swamp, Mr.

sized oats weighing 40 pounds or better to the bushel, which draw premium prices from breakfast food producers. Between 300 and 500 steers forage the oat fields after harvest. Second-growth oats, kneehigh by fall, produce a lot of beef.

Bountiful dividends have accumulated from Mr. Cook's pioneering in turning a marsh into profitable acreage. Up and down the St. Joe and tributary streams some 8,000 additional acres of wet land have already received a similar drying out, and another 10,000 acres are to get the same dehydration. Swamp land which once was high at \$5 an acre is now a bargain at \$200. And one-time delinquent land is helping to carry the tax load.

The benefits from this drainage victory are multiplying. Not many farmers are confronted with the problem of dehydrating hundred-acre swamps, but farmers everywhere do have small, troublesome swales or wet spots that they would like to put through the wringer. In Idaho grain-farming areas, wet places which never could be conquered by down-the-middle ditches are being dried by application of Mr. Cook's drainage principle.

O. A. FITZGERALD



Banker-farmer Cook proudly shows a fine stand of oats to University of Idaho President J. E. Buchanan and Washington Power Assistant General Manager Richard McKay

Dairy Cattle Loans

NICHOLAS A. JAMBA

MR. JAMBA is vice-president and manager of the agricultural department of the National Bank and Trust Company, Norwich, New York, and is a member of the Agricultural Lending Procedures Committee of the Agricultural Commission of the American Bankers Association.

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ow long will it take to liquidate a note made to finance the purchase of a dairy cow if the repayment program is based on the usual assignment of a portion of the milk check? This is a question that refers to the liquidity of dairy loans and their general desirability for investment by a country bank.

Ordinarily an obligation that arises out of the purchase of dairy cows takes between two and five years to liquidate. The repayment program would depend on the percentage of the milk proceeds assigned, the price of milk and the production ability of the cow.

Typical Dairy Loans

The most typical dairy loan being made by a bank is to assist a farmer with his normal herd replacements. These loans are made for the purchase of from one to 10 or 15 cows at one time to take the place of a similar number that have been sold by the farmer. Depending on the size of the farm operation, loans are usually set up to work out over a period of from one to three years. Such loans are often combined with loans made for other operating purposes and frequently the individual purposes for which they are made are lost track of when consolidated. Loans consolidated are often scheduled for repayment by an assignment of a percentage of the milk income, or for a fixed dollar amount. A percentage of the milk income will fluctuate because the milk production fluctuates with the seasonal production of the herd. Assignments enable farmers to pay more on their notes when their cows are producing heavily and relieves them of heavy payments during those seasons of the year when milk production is low.



The Author

Only occasionally does the bank finance the purchase of an entire herd of cows arising out of the need of a veteran or a young farmer in his beginning-farming operations. There are instances where entire herds are financed for well-established farmers who may have sold or dispersed their herds and later re-purchased.

However, the most common type of dairy cattle loan is one made for the purchase of normal herd replacements or additions to a herd, or for the purpose of financing a few purebred livestock

Cattle Purchase Loans

Cattle dealers sell entire herds of cows to farmers. Many young men get their first opportunity to start farming in this manner. In many cases herds are sold to farmers by cattle dealers without requiring a downpayment. Purchases are secured by a chattel mortgage on the cows and usually a claim also on farm equipment and any other personal property owned by the purchaser. A second mortgage on real estate is occasionally taken as additional collateral by the dealers. Repayments are usually scheduled by assigning one-third of the milk proceeds. The repayment program will depend primarily on the farm management ability of the purchaser, although milk prices and prices of other things have their effect on the farmer's ability to get himself out of debt.

Normally one of the principal expense items is the cost of purchasing dairy feed for the milking herd. This usually requires approximately onethird of the farmer's milk income. Some farmers who purchase herds from cattle dealers generally require many years to repay the cost of their initial herd. Long before the original loan is retired they find it necessary to replace some of the original herd. Replacements are usually purchased from the same dealer, by adding the cost of the new animals to the unpaid balance left on the original note. We have known of milk check assignments to last for as long as 20 or 30 years in many instances.

Dealer Loans

The following case of cattle dealer financing illustrates why such loans are slow in repayment. If we assume that a farmer purchased 20 cows at \$300 per head, he incurs a debt of \$6,000. These cows may be able to produce, under average care and management, about 6,500 pounds of milk a cow a year, or a grand total of 130,000 pounds of milk annually. If we assume this milk can be sold at an average price of \$4 per hundred-weight, the gross milk income

One-third of this income assigned to repay the original loan will mean that \$1,733.33 will be received annually by the cattle dealer to reduce principal and interest. At this rate it would require approximately four to five years to retire the original loan, if no additional purchases or changes in the herd were made during that interval.

It can readily be seen why the average commercial bank cannot safely finance loans made to beginning farmers to purchase entire herds.

On the other hand, commercial banks are very willing to finance the (CONTINUED ON PAGE 100)

How One Bank Handles Poultry Loans

SHELBY FORD

In many sections of the country poultry husbandry has become a sizable industry and more and more banks are making loans to poultry farmers. This is, in condensed form, the substance of Mr. Ford's remarks before the Institute of American Poultry Industries Fact Finding Conference in Kansas City, in which he outlines the poultry loan techniques followed by the First State Bank of Springdale, Arkansas, of which he is president.

UR bank has been in the broiler financing business since 1939. At that time, Northwest Arkansas was producing around 5-million birds a year compared with an annual production today of approximately 40-million birds for the three-county area. It is our largest industry in a very diversified agricultural section.

Before we started to make poultry loans, we made a survey of some of the factors to be considered in poultry raising and were convinced that because of our location, climatic conditions, and market potential we should have no trouble in raising and marketing chickens if proper supervision were given. Moreover, our people were accustomed to making a living on small farms and should be inclined to fit the poultry program in with dairying and fruit and truck farming, provided they could be shown that it would be profitable.

Financing Plan

Having decided that the Ozark region met all of the tests for good broiler production, we realized that there was a need for a plan of financing if we were to expand. This is the plan we devised:

We first determine whether the dealer is honest and capable of properly managing a feed, hatchery, or production business and whether he has proper equity or capital in his business, thus enabling us to help finance him on a sound basis. If, up to this point, our decision is

favorable, we ask the dealer to furnish us with his financial statement. After analyzing the statement and deciding that his net worth justifies it, we set up a line of credit for the dealer, secured by discounting and endorsing notes and chattel mortgages with recourse to the bank.

This chicken paper is executed and delivered to the dealer usually at the time the baby chicks are delivered to the grower. The chicken notes are usually secured by the baby chicks, as well as part of any other assets the grower may have, such as cattle and farm machinery. We recommend as additional security two cows, or the equivalent thereof, to each 1,000 chicks covered by a mortgage.

Note and Mortgage

Notes and mortgages are made up on the basis of the anticipated feed cost of raising the broilers for market, which is now figured on the basis of 70 cents a bird. For example, should the grower have a 10,000-chicken capacity, a note and chattel mortgage would be made for \$7,000. The dealer, in turn, would bring the note and mortgage to our bank, endorse them to us with recourse, and the bank would advance the dealer 50 percent of the face amount of the paper, which, in this case, would be \$3,500.

We would continue this process with additional paper until the dealer reached the amount agreed upon when we granted him the line of credit. The paper is usually made for 90 days, or when the chickens are sold, whichever is sooner.

Sometimes, if a dealer has an exceptionally high net worth and a large amount of liquid assets, we grant him an open line of credit up to a stipulated amount. In addition to the open line, the dealer may discount chicken paper up to an amount agreed upon.

On this basis, the bank has 35 cents per bird invested. The dealer has flocks of various ages on feed which are sold at different times.

This means that we have a stagger arrangement that works out advantageously from a security standpoint.

We ask that the dealer or hatcheryman give credit on his books for the full amount of the note and mortgage executed at the time the baby chicks are delivered to the grower. Each time feed is delivered the amount is charged against this account. When the broilers are sold, should the feed bill be insufficient to use all of the credit, the dealer makes the adjustment. As soon as the broilers are sold, the dealer pays off that particular grower's note and returns the note and mortgage to him.

In some cases, where the growers have sufficient assets, we finance them directly. These loans are secured on the same basis as any other chattel mortgage, except that we require considerably more collateral since we do not have the dealer as an endorser.

Insurance

The chickens are insured against fire and tornado hazards. Dealers usually give us a reporting form policy that contains a loss payable clause protecting the bank. So far as I know there is no insurance on chickens against disease.

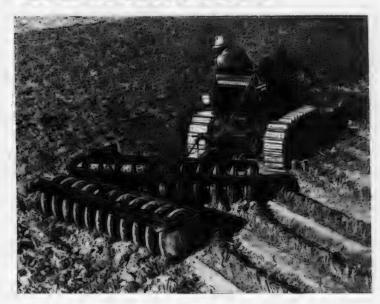
For the first year or two after we started financing broiler production the bank examiners were very critical of our chicken paper, which, at the peak of the growing period, has amounted to as much as \$350,000. Recently they haven't said much about our chicken loans.

In a 10-year period we have loaned approximately \$8-million on chickens and have not lost a dime on chicken paper. Some of our dealers have lost money at times, but the dealers pay the bank and work out their deficit with their customers.

As I see it, the important thing in broiler financing is to select dealers who are honest and financially responsible and who, in turn, will

(CONTINUED ON PAGE 104)

Confidence



THE REASON so many farmers choose International Harvester equipment is that they know from experience that they can place full confidence in it.

For more than 100 years, Harvester has been building that confidence by making equipment that comes through in the pinches... stands up under hard use.

When a farmer seeks a loan from his local banker for the purchase of Harvester equipment, this confidence is a good reason for granting it.

Of course, there are other reasons. Harvester products pay for themselves in use. They improve the farm property, lengthen its life, add to the farmer's income by enabling him to raise better crops. Thus they benefit the whole community.

In fact, the banker who provides the financing is a partner in community progress. In addition, he is making a wise investment for his bank.

INTERNATIONAL 180 North Michigan Avenue



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Chicago, Illinois

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J.B. ROTH & SON

The Growth in Britain's Non-Productive Workers

LONDON

Tor some years the amount of "paper work" in general industry has been growing in volume. Clerical and administrative staffs have increased relative to the purely productive staff. Though most people are vaguely aware of the nonproductive staff increases, few appear to have any definite knowledge of the true weight of the increase.

In Britain, particularly since the socialist government came into power, there have been frequent references to the growth of office workers, but there has been a marked lack of authentic data on the subject. Accurate information is, however, available through the medium of the Census of Production.

The investigation shows that the ratio of nonproductive workers has increased, but it also shows that this increase is not a new phenomenon but is something that has been going on for 30 years or more.

Before considering the relative statistics a few words on the main factors responsible for the increase appear necessary. In Britain for the past 30 years there has been an increasing tendency towards government interference in industry. Government demands for information and returns of one kind and another were in being even before the present era of controls. The recent war and its aftermath multiplied the number of returns very considerably and the socialist government, with its insatiable appetite for statistics, has added still further burdens. The returns are in many cases both numerous and involved and as a consequence take up the time of a considerable staff.

THE collection of income tax by deduction from wages and salaries under the "pay as you earn" scheme has thrust an added burden on industry. The national insurance scheme in like manner is an expense to the employer not only because he has to pay a cash contribution for each employee, but also because he must provide a clerical staff to deal with the collection of the individuals' contribution and the stamping of the record cards.

Industry itself has also added to

its own burdens by the subdivision of function, providing each department or division with a controller who, in turn, requires his own staff. The widening scope of both financial and cost accounting has also added to the ranks of the nonoperative workers. Much greater statistical data is also compiled in many industries, all of which calls for more clerical staff. Costing and statistical data may rightly be termed the "tools of management," but one may wonder whether the job is being too highly "tooled."

In the census of production, 1948, 72 industries have so far returned the necessary data. It is found that in these industries the percentage of clerical and administrative workers has increased from 12.2 percent in 1935 to 14.8 percent in 1948. In other words, out of every 100 persons employed in those industries

almost 15 are engaged on nonproductive work. The same tendency is observed in the case of 20 industries reporting in 1946, where the clerical employee percentage rises from 13.0 percent in 1937 to 16.0 percent in 1946.

It is time this continued increase in the nonproductive element came to an end, and indeed is reversed. There is no doubt that much of the information being compiled for the use of government departments is unnecessary and its compilation is merely an added cost to British industry.

At the same time, industrialists could also give the problem careful thought with a view to the elimination of much of the paper work which does not directly contribute to either increased efficiency in the operation of a business, or to lowered costs.

F. BRADSHAW MAKIN

Banking as Therapy

WENTY years in the banking busi- that field, agreed that she was well ness gave Mrs. Robert S. Wick a background for conducting an informal class in banking for the neuropsychiatric patients at the Veterans Administration Hospital in Coatesville. Pennsylvania.

When Mrs. Wick became a Red Cross Gray Lady with the Swarthmore Branch of the Southeastern Pennsylvania Chapter and was assigned to volunteer duty at Coatesville, she felt she could be of service in educational therapy. Irwin Blender, the hospital's instructor in

qualified to teach banking.

Mrs. Wick's first class included a lawyer, a doctor, and a trust officer of a bank.

"I broke down the banking nomenclature into terms the men could easily understand," she says. "Each lecture ran about an hour and at the conclusion I asked questions on the subject discussed. The results were wonderful, because the class gave the men an opportunity to delve into a new field."

The response was so encouraging that Mrs. Wick decided to conduct her third class. She also teaches "Appreciation of Literature" and many of her banking pupils have enrolled for a course in "Better Foremanship."

Mrs. Wick's banking experience was largely in Philadelphia where she was on the staffs of the old Colonial Trust Company, the Federal Reserve Bank, and the Pennsylvania Company for Banking and Trusts. She was also with the Coral Gables (Florida) National Bank. She now lives in Media, Pennsyl-

Gray Lady Wick at the banking class blackboard



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Better Living

Forums: New Business; Good Relations

This department is edited by Theodore Fischer of Banking's staff.

ANKING'S survey of the results of bank-sponsored financial forums shows that in almost every case the forum was planned as a community service project rather than as a new-business gimmick. However, nearly all of the sponsoring banks report that new business actually did result. And the meetings were so well received that nearly every bank which held a forum series is planning to hold more.

Burnham Yates, president of The First National Bank of Lincoln, Nebraska, notes: "We have been impressed with the very real financial curiosity of women, as evidenced by the very high rate of attendance, the number enrolled, and the demand for another series." This is typical of bank experience with the forums.

Talk of the Town

The Schenectady (N.Y.) Trust Company found its forum to be "the talk of Schenectady!" according to Ellis F. Auer, vice-president. "The word-of-mouth publicity which this bank received through the forum made it well worth its cost. Besides this, we are able to point to very tangible results in new business which the Women's Finance Forum brought to us."

The bank analyzed its attendance by a break-down by occupation: 334 housewives, 33 teachers, 15 secretaries, 5 women executives, 4 merchants, 4 insurance women, with the balance in miscellaneous occupations.

"Interest and enthusiasm were sustained through the five sessions," says Mr. Auer, "and we have had considerable pressure for repetition of the series."

Recorded on Tape

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The Stamford (Conn.) Trust Company held a series of four forum meetings, all of which were recorded on tape and later transcribed in record form for the files. Agnes B. Cooney, assistant secretary, reports that the most popular subjects were "Wills, Trusts, and Taxes," and "Investments." Audience participation

Richard Foehl, assistant treasurer of The Pennsylvania Company for Banking and Trusts, Philadelphia, explains banking to a woman customer, played by Kathryn B. Stebbing, in a skit staged at the Homemaker's Center of the Philadelphia Evening Bulletin. The skit played to a daily audience of more than 400 women for a week's run



was so lively at both these meetings that the time allotted to the question-and-answer periods had to be extended.

The bank was so pleased with the results that it plans a new series, "slanted mostly around trust department services and investments."

Joint Endeavor

Out in the Cornhusker State, The First National Bank of Lincoln and The First Trust Company of Lincoln, sponsored jointly a women's finance forum. When it was announced that registrations were open for the first forum series, the response was so great that the quota was filled "in a matter of days."

Lectures were given twice on each meeting day, once at 10 A.M. and again at 7:30 P.M. The first series was so popular that a second was immediately scheduled. This was completed in late January, giving these banks a score of two forums in the course of the autumn-winter season.

Forum Ladies Use Bank Services

Emma M. Steinke of First National Bank of Oshkosh, Wisconsin, says that "from observance we find that women who attend these forums do not hesitate to come to the bank to discuss their financial problems, and we feel that it is due to the fact that they understand the functions of the bank and therefore they avail themselves of the various services that a bank offers." The bank held three forums during 1950. "We have

had a number of requests to repeat these forums and we feel the project is worth while and much appreciated. The tangible results are difficult to measure but we do know that it is a good advertising medium."

"Definitely Worth While"

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The National Bank of Auburn, New York, considered its women's forum project "definitely worth while." Robert B. Hole, assistant trust officer, says that "there were no unfavorable comments and the general feeling was that there was a real need for such talks and that the bank deserved credit for recognizing and meeting that need."

Based on attendance and the number of questions asked, Auburn women were most interested in "The Effect of Changing Times on Your Will." "Investment" proved next in popularity, followed by "Insurance and Social Security."

Mr. Hole notes further that "several people have suggested that we have an evening session to enable business women to attend, and several men have expressed the desire to attend, so we may repeat in a year or two with evening sessions for men and women."

Letters Thank Bank

The most popular topics at the forum of The Fourth National Bank in Wichita, Kansas, were: Life Insurance and Social Security; Wills and Estates; and Personal Financial Planning.

The Wichita forum series resulted in many letters of thanks to the bank; and many requests for speeches came from folks who wanted to attend but were unable to do so.

A. Dwight Button, vice-president, says that "the response to the series of programs was shown by the nice turnout we had for each meeting and I would say that approximately 80 percent attended each of the meetings. We have had many requests for a new series and we do feel that it is something that is worth while as a very good public relations service for any bank regardless of size."

"A Happy Experience"

The Bank of Virginia, Richmond, reports through its director of advertising, Daphne Dailey, that the women's finance forum has been "a very happy experience." Offered as

a public service, it has already brought some actual business "as a result of the general interest and goodwill."

"The most significant reaction we have noted," says Miss Dailey, "has been in the number of questions asked at each session. Excluding duplicates, these were by actual count: First session, 27 questions; second session, 29; third, 34; fourth, 62.

"There has been a demand for another series from women wishing to attend night sessions and some men who say they would find it quite worth while. We certainly think the project has been worth while, and I think this kind of educational endeavor offers a great opportunity for public service by banks."

"Let's Include Husbands"

The New Rochelle (New York) Trust Company's president, Ralph T. Tyner, Jr., says: "Our main purpose in sponsoring these forums was to give a public service to the women of our community and to open the doors of our bank, so to speak, to our public. What we gain in the way of new business remains to be seen; yet from the actual comments and the reactions received, I feel greatly encouraged that definite business should be forthcoming.

"The interest shown," continued Mr. Tyner, "is constantly being expressed by our customers who come to the bank daily and take the time to give their ideas on the benefits derived. It has been suggested that a series be given in which the husbands might be included as some banks are doing this.... To my way of thinking, it has given importance to our women customers."

Mr. Tyner suggests that it is important for the oldest bank, or "the bank of tradition," in a community to sponsor the project. He also feels that forums are "more successful in some types of communities than in others."

Public Not Invited

First and Merchants National Bank of Richmond, Virginia, says that it is "frankly out to woo the ladies." The bank has just completed a lecture series for women only which it terms "highly successful."

First and Merchants decided to test the forum idea on a particular group rather than present its series for the general public and accordingly invited by letter each of the members of the Woman's Club of Richmond. The desires of the club guided all the bank's planning. The ladies chose as the subjects they wanted to have discussed: Investments; Wills, Trusts,



and Estates; and Taxes—in that order.

The forum sessions were held at 11 o'clock on three successive Friday mornings in January. Each was preceded by a coffee hour at 10:30. Hostesses to pour were wives of bank officers who are members of the club.

The bank found the cost of the forum to be "very reasonable," and felt that the venture was thoroughly worth while from the standpoints of tangible business results, long-range goodwill, and widespread interest. Plans to conduct similar forums for other women's groups are in the offing.

New Business

The Hartford-Connecticut Trust Company's forum was limited to four subjects: Budget Management; Securities; Life Insurance; Wills and Trusts. Samuel S. Rodman, vice-president, says that the forum was offered as a public service, "in no way emphasizing the bank or its functions, except to the most minor degree, and made no effort to use these in a way to obtain direct business." Some business did result, however, and the bank is considering a second series.

Plan Continuance

The Boardwalk National Bank of Atlantic City, New Jersey, offered a forum series "as a public service and, of course, with the thought of establishing good public relations and thus gaining confidence and business." According to Henry W. Fiedler, vice-president, "we were happy with the results and the reactions and we expect to continue each year."

Inquiring Depositor

The questions and answers given here are either actual questions and answers from bank-sponsored financial forums, or are adapted from them with little change. They tend to show a healthy financial curiosity and are typical of questions asked and answers supplied at forums all over the country—or in any bank.

When to Buy Stocks

Q. When do stocks and bonds fit into a financial program? When should a young business woman, for instance, begin to think about this kind of investment?

A. In a properly planned investment program, there are four steps which she should take before she begins to invest in stocks and bonds. She should:

1. Build up a savings bank account as a backlog against emergencies and illness.

2. Buy some U. S. Savings bonds, Series "E," which cost 75 and mature in 10 years at 100. Do you realize that these bonds, if held to maturity, give her 2.9 percent which is the highest return obtainable on any U. S. Government bonds?

3. Then should come life insurance suited to her needs.

4. After insurance, a home, if that is in her program.

5. After all these objectives have been accomplished, the next proper

step would be a stock and bond program.

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Will Problems-

Q. There is an old point about leaving one dollar to each of your relatives. Is that necessary?

A. No; no; you do not have to leave a dollar to any relative.

Q. Is it necessary when moving from one state to another to check your will in the new state? I know that some states require different numbers of witnesses.

A. Most states today have reciprocal legislation (if a will is executed in Connecticut, for instance, it may be probated in New York) but why take that chance? If you move to a different state you should have a lawyer in the new state review your will to determine: (1) whether it is in compliance with that state's law; (2) whether or not the witnesses are apt to be available when the time arrives. In other words, if you have executed a will in California and then moved to New York, the California witnesses may be in California or Kalamazoo by the time they are needed.

Q. If a will is made in a lawyer's office and the witnesses to the will are people from that office, do those witnesses have to be found?

A. Yes, the witnesses to a will must be located; or, if they cannot be located, their handwriting must be established. If you cannot establish the handwriting of Mary Jones, the former secretary of Mr. Smith, you can't probate the will. It is a good idea to try to get as a witness someone whose handwriting has been established by a bank account or in some other way. (Very few people who are proper witnesses have not established their handwriting by the opening of a bank account.)

Financial Program

Q. What do you consider the first step in setting up a sound financial program.

A. Unquestionably, opening a sav-

Cover of the folder which invited the ladies to the five-session forum given by The Schenectady (N. Y.) Trust Co.



ings account. The first thing which anyone should do is to start setting aside something with which to meet emergencies. You should build up this fund until it is adequate for your particular needs. There is no rule of thumb on just how much of a savings account anyone should have; but it should be related in size to possible emergencies.

Q. Why should we keep this emergency fund in a savings account?

A. We should never mix it with the funds we use for current expenses. Human nature being what it is, it is necessary to earmark our savings fund carefully—and keep it earmarked. Not only that, but savings accounts pay interest which helps the fund to grow.

Is Borrowing Wise?

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Q. Do you recommend that individuals borrow?

A. For luxuries—no! To avoid cutting down expenses when you should—no, never! But let me give you some examples as to when it is not only justified but sound to do so:

To buy a car, if it will increase your income or your enjoyment of life in any way—provided you can meet the loan payments out of income—or

If you receive income quarterly from a trust, let us say, and a large expense presents itself between income payments—borrowing is sound because the loan can be paid off easily out of the assured income—also

To avoid selling assets such as stocks and bonds at an unfavorable time—or

To take advantage of a business opportunity—

Provided—the test in call cases—that you can pay back without unreasonable strain.

Q. Isn't it quite difficult and involved to get a loan at a bank?

A. Not at all. Most people think it is, but that is because the bank has to check the individual's estimate as to whether or not he can pay the money back comfortably. The banker has to be sure of that because he is in a position of trust to his depositors whose money he is lending; and he must know the funds he is lending are secure. After all, a banker's job is not to restrain the "pursuit of happiness" of healthy American initiative, but

more to guide it on a sound financial basis.

Life Insurance

Q. Is life insurance valuable only as a hedge against one's dying too soon?

A. No. The wonderful thing about all permanent forms of life insurance is that they build up cash values which can be turned into income or an annuity for the owner.

Currently, more money from life insurance policies is being paid year by year, month by month, to living owners themselves than to families of those who have died. Life insurance, you see, has "living benefits" for the owner after the need for protecting other people ends.

Q. Suppose no one is dependent on a woman's earnings, whether from invested capital or from her work in business or professions; suppose her husband supports her in comfort; is there then any reason for such a woman to have life insurance?

A. Yes, indeed; for inheritance taxes. The 1948 Revenue Act has made it important for every married woman in such circumstances to have life insurance sufficient to provide cash immediately upon her death, with which to pay inheritance taxes so that her share of her husband's estate can pass to him or to her children without having to be liquidated.

Bank as Executor

Q. Doesn't it cost a lot to have a trust company act as executor or trustee?

A. No. The fee for the job of executor and trustee is fixed by law and is the same whether the estate is administered by a trust company or an individual. The average individual during his life is very conscious of the need for specialized services on problems that require it, whether it be an operation for some member of the family, or an architect to draw plans for a home. Yet it is amazing that when time comes to appoint someone to take care of the estate he has spent a lifetime accumulating and for which his family has such need for experienced help, he is willing to appoint his executor and trustee on the basis of sentiment or wish the job on a friend whom he expects to do it for nothing.

Inexperience is very apt to cost the estate far more in losses than one would pay in fees to have the estate administered by an experienced bank. One who appoints as executor and trustee a bank with a good trust department gets the benefit of highly specialized services, financial responsibility, continued existence, successful experience, together with accounting facilities and investment management. Management of money is the most difficult management job in the world.

A Forum on Forums

EARL S. MacNEILL

Mr. MacNeill is a vice-president of the Irving Trust Company, New York.

PROBABLY the forum proved nothing that was not known already; but at least it brought ideas conveniently together, from which certain tentative conclusions might the more readily be reached. This article will attempt to summarize the conclusions rather than report the discussion.

The forum referred to was entitled a "Panel Discussion—Public Forums on Finance & Trust Mat-

ters"; it was held on February 5 at the A.B.A. Mid-Winter Trust Conference. The panel was composed of Robert M. Alton, vice-president and trust officer of the United States National Bank, Portland, Oregon; B. W. Barnard, vice-president and trust officer of the American Trust Company, Charlotte, North Carolina; Floyd L. Dwight, vice-president and trust officer of the First National Bank of Minneapolis, Minnesota; and Charles B. McGowan, vicepresident of the Rhode Island Hospital Trust Company, Providence. It was my privilege to serve as discussion leader—not an onerous task, since it was the discussers who supplied the talent and the recent specific experience.

The discussion was scheduled because of the great interest that has been manifested in recent months in the subject of forums under bank auspices as a means of public education in financial and trust matters. The banks named above had all conducted outstandingly successful forums. Two types of forums were represented: forums covering the subjects of taxes, wills, trusts and estate planning, attended generally by husbands and wives invited from among the banks' prospects for trust services and "Women's Finance Forums," covering the fields of financial and investment practice (with some passing reference to trust matters) which drew from the feminine element of the public-at-large. Generally, our "forum-on-forums" discussion consisted of analysis and comparison of the two types in terms of costs, methods, objectives and results obtained and finally the question was asked and answered: "Are you satisfied with the type of forum you presented; or would you prefer to utilize the other type?"

Costs Vary Little

As for costs, there was no great variance between the two types per se. That is, costs might vary, but the governing factors would be such factors as refreshments, if any, hall hire, and the volume of attendance. On average, eliminating refreshments, but using rented premises and attracting audiences of from 200 to 800, it was possible to stage forums-in-series (a series of six, typically, with one ticket being good. for the series) at a cost of \$1 per person per meeting. Smaller forums with several speakers covering the field at one session, and with refreshments usually served, cost on the average from \$4 to \$6. In every case it was felt a cheap price to pay for the concentrated attention given by the participants to the bank's message; and in every case it was reported that the total amount spent for forums represented a relatively small part of the bank's advertising budget.

Methods varied with the type of forum. Generally, the women's finance forums sought size. Invitations were broadcast through statement-stuffer announcements, news-

Author MacNeill (center) leads the "forum on forums." Panel members, left to right: R. M. Alton, vice-president and trust officer, United States National Bank, Portland, Oregon; B. W. Barnard, vice-president and trust officer, American Trust Company, Chalent National States National St



Charlotte, North Carolina; Floyd L. Dwight, vice-president and trust officer, First National Bank, Minneapolis, Minnesota; Charles B. McGowan, vice-president, Rhode Island Hospital Trust Company, Providence, Rhode Island

paper advertisements, the good offices of women's organizationseven broadcast by radio. It was first come, first served; and there was no implication that the guest need be a depositor. The trust forums were selective. As mentioned before, the invitation lists were the banks' prospect lists and the invitation generally was direct and personal-a letter. The attendance of husbands and wives was sought, and of other senior members of the family. The trust forums ran to refreshments, which they could afford because they were smaller. The women's finance forums required an auditorium. Where practicable, the trust forums were held in the bank's own premises; hotel rooms were used sometimes; or a club's headquarters. At the trust forums the attempt was made to induce oral participation by the audience. At the women's finance forums only written questions were solicited.

From the very methods, a divergence of objectives may be discerned. Plainly the trust forums contemplated a close cultivation of people already customers or prospective customers of the bank-possibly trust customers also but, in any event, trust prospects. While every effort would be made to appear dispassionate and objective, and there would be nowhere any pressure of direct selling, still it would be the long-range objective of the promoters of such a forum to stir forces in motion that would ultimately propel some of the listeners to the offices of the trust department for discussion of matters relating to their estates. On the other hand. the women's finance forums were primarily experiments in public relations, seeking good generally to the bank, but without expectation that any specific items of business would ever be attributable specifically to the forums.

Everyone was most happy with the results obtained. One speaker commented that if nothing ever came of his bank's forums but the newspaper publicity obtained, the forums more than paid their way. To some of the trust forums, business was directly attributable. Each bank officer reported: "Forums definitely will continue as a part of our advertising and public relations program"—or words of similar effect.

The last question sought to establish a competition: Would the speakers prefer to continue with their own or would they adopt the other's type of forum? The answers brought out clearly that the forums were not competitive. Each sought different objectives; indeed, each used different means to obtain those objectives. The answers, therefore, may be guessed: each would continue with the type of forum previously used; each would like to experiment with the opposite type. Some, in fact, are already planning such experiments.

Objectives Clarified

It is probable that the greatest good accomplished by the panel discussion was this clarification of objectives. If objectives are understood, there will be no overexpectations, and consequently no disappointments by reason of erroneous approach. Banks will continue to utilize women's-and eventuallymen's-large general forums as vehicles for public education in the ways of banking and as a means of humanizing banking. Trust departments will not overlook their duty to teach also; but their pellets of knowledge will be aimed at more compact targets, and they will hope to score a bull's-eye now and then.

Banker Jones has run out of sheep!



There are not enough sheep in the pasture nights! He's too busy wondering if he has enough insurance -- to protect him in case some of his cash should mysteriously disappear, or a forged instrument is honored, or a

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BANK LAW NEWS

Safe Deposit—Taxation: Federal; State

SAFE DEPOSIT

Possession is still nine-tenths of the law.

An opinion of Iowa's Supreme Court shows that an owner of currency who wants to continue to own it can do better than to place it in someone else's safe deposit box.

One Jesse Wilcox, having been appointed guardian of the person and

property of one Cora J. Williams, age 84, opened the latter's safe deposit box at a Des Moines bank in order to examine its contents, and there found, among other things, nine envelopes containing \$4,260 in currency.

The envelopes were unsealed, but were tied in a bundle by a string, beneath which was a slip of paper bearing the notation, "Property of S. C. Williams." S. C. Williams was Cora J. Williams' late husband, Sylvester, and on the basis of this slip of paper, his executor claimed the money for his estate.

Evidence was introduced that the writing on the slip was Mr. Williams' and that when his box was opened after his death it was "jammed full... until there was no more room for other papers," while the records of the bank showed that Mrs. Williams had authorized her husband to enter her box, and that he had entered both his box and hers on the same day, about three months before his death.

Nevertheless, the court held that the money should be retained by Mrs. Williams' guardian, on the grounds that the slip of paper alone was insufficient to overcome the presumption, particularly strong in the case of negotiable instruments or currency, that the one who has possession of property is its owner. In re Williams' Estate, 45 N.W.2d 146.

Five-Day Week Legislation

The American Bankers Association's Model State Banking Code will contain two suggested forms of legislation for use in states desiring to permit banks to operate on the five-day week. The first, a Saturday closing statute, would permit any or all banks in the state to close on any or all Saturdays throughout the year, but would not require any bank to close, nor make any bank's decision to close irrevocable. Its protective features would cover any business which a bank might be expected to do on Saturday, not merely its transactions involving negotiable instruments. At the same time, it would make Saturday a holiday only with respect to banks which close, in order to avoid casting doubt upon the legal status of transactions by banks which choose to remain open, or by the general public. In the interests of uniformity of bank operations it permits Saturday closing only.

The second statute is designed for enactment in states where it may not be considered desirable to confine week-day closing to Saturday. It permits closing on any one fixed week-day. Otherwise its provisions are similar to those of the Saturday closing statute.

1. Suggested Saturday Closing Statute

Any state bank may remain closed on any or all Saturdays, as it may from time to time elect. Any Saturday on which a bank is so closed shall be, with respect to such bank, a holiday and not a business day. Any act, authorized, required or permitted to be performed at or by or with respect to such bank on such Saturday, may be performed on the next succeeding business day, and no liability or loss of rights of any kind shall result from such delay.

2. Suggested Week-Day Closing Statute

Any state bank may remain closed on any one business day of each week, as it may from time to time elect. Any day upon which a state bank is so closed shall be, with respect to such bank, a holiday and not a business day. Any act, authorized, required or permitted to be performed at or by or with respect to such bank on such day, may be performed on the next succeeding business day, and no liability or loss of rights shall result from such delay.

TAXATION-FEDERAL

Court of Appeals Holds That Time Certificates of Deposit Are Not "Borrowed Capital."

Bank deposits made under time certificates of deposit do not constitute borrowed capital for the purpose of computing credits under the Federal excess profits tax statutes and Treasury regulations issued thereunder, the United States Court of Appeals for the Eighth Circuit, has held. The decision dealt specifically with the tax statutes and regulations in force in 1943 and 1944.

These statutes provided that borrowed capital might consist of "outstanding indebtedness... evidenced by a bond, note, bill of exchange, debenture, certificate of indebtedness..."

(CONTINUED ON PAGE 72)

Some Timely CCH TOPICAL LAW REPORTS

GOVERNMENT CONTRACT REPORTS



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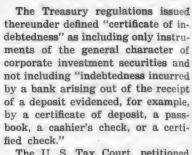
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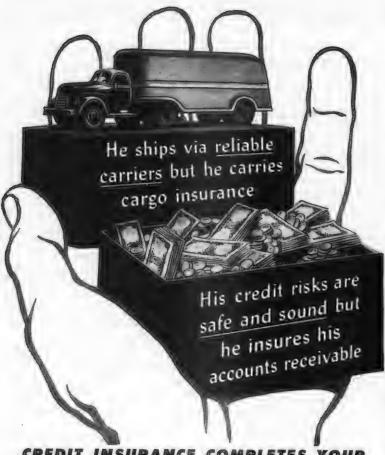


The U. S. Tax Court, petitioned for redetermination of defendant bank's income tax for the years 1943 and 1944, had reasoned that the association of certificates of deposit with passbooks and checks, in the pertinent regulation, indicated that the regulation referred only to certificates of demand deposit, and thus held that time certificates were borrowed capital.

The Court of Appeals did not share this view, and held that the distinction which the Tax Court drew between the two types of certificates had no "recognized basis of support, either in bank law or banking concept."

Bank deposits have never been regarded as "borrowed capital," within the accepted commercial usage of that term, and deposit transactions have none of the characteristics of money borrowing, said the court. The ordinary person making a bank deposit has no intention of making a general loan to his bank, the court noted, and his bank is not permitted to deal with the deposit as a general loan, since banking laws and regulations on the manner and extent of use of deposit funds differ from those on capital investment and borrowing.

The court also rejected the argument that since the certificates involved were in negotiable form, they should be treated as within the statutory designation of that type of obligation. In so doing, it granted that certificates of deposit have been considered the equivalent of promissory notes for the purpose of protection under the negotiable instruments law, but held that this would not require them to be regarded as borrowed capital under the taxing statute. Such a holding, the court said, would only create "another irrelevant distinction in relation to the purpose of the statute. . . ." Comm'r of Internal Rev. v. Ames T. & S. B. 185 Fed. 2d 47.



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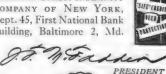
Many banks now insist upon this

insurance protection before approving commercial loans. The bank can be included as a named assured without charge.

Why SAFE Credits Need Protection

Send for our book, containing valuable information on planning sound credit policy, more facts about American Credit Insurance. For your copy, just phone our

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State Can't Tax Transfer of Foreign Realty To Resident as Income.

The Massachusetts income tax may not be levied upon a transfer of an interest in corporate realty located in another state, that state's highest court has held.

The decision resulted from an attempt by the state to tax the market value of an undivided interest in Rhode Island real estate which a Massachusetts resident had received from a liquidating foreign corporation in which he held stock. His share in the realty was proportionate to his stock interest in the corporation and had a market value of some \$259,000.

In holding that the tax could not be assessed, the Supreme Judicial Court reviewed some fundamentals of tax law, and pointed out that the power to tax does not arise by implication, but only from statutes expressly conferring the power, that such statutes must be strictly construed, and that no such statute may tax real estate located in another state. The court granted that the Massachusetts income tax statute specifically provided for the taxation of "Dividends . . . on shares in all corporations," and that the distribution made to the taxpayer was a dividend. The court also granted that states may tax their residents on income derived from outside the state, such as that from services performed in other states, from real estate rentals or interest on mortgages secured by real estate located outside the state, from trust funds kept in another state, and from tangible personal property located in another state.

However, said the court, such taxes are excise taxes, the imposition of which does not depend upon the location of the source of income, but rests on the theory that the taxpayer has been afforded protection and security by his own state and thus may be required to assume a part of the cost of its government. The Massachusetts income tax, on the other hand, is not an excise tax, said the court, but a property tax, since it is a tax "upon income of property, which is in reality a tax upon the property itself." Riesman v. Comm. of Corporations and Taxation 95 N.E. 2d 656.

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Other Organizations



In connection with the observance of Florida's Know Your Bank Week, an editorial appeared in the Palm Beach Post which pleased the Florida Bankers Association so much that reprints (courtesy of the First National Bank in Palm Beach) were distributed to members throughout the state. The editorial, headed "Deicing," said, in part:

"Remember that tale about the banker with the glass eye? Nobody could tell which one was glass. Each was endowed with a frigidity furnished by what was presumed to be ice water flowing in the banker's veins. Now look! The bankers are running a 'Know Your Bank Week.' The de-icing is on.

"The banker forsakes the pedestal he once considered a requisite implement. He steps down into the audience, extends his warm hand and, without sign or trace of a cracked lip, smiles at us average mortals. Not alone that, he takes pride in what he does inside those austere looking buildings called Banks. He wants to prove that these Banks are an essential and valuable part of our economic and political security. He wants to prove why they are that. These things he wants to prove to you, not to us.

"As for us, no proof is needed. Banks are that essential part.
"It sounds like Music to us. It should to you. Go on in the Bank and look around. Call its bluff.

should to you. Go on in the Bank and look around. Call its bluff. Avoid stomping your feet or whistling, but at least grin. Give the guy behind the big desk a chance to grin back at you. If he does not, forget this 'Know Your Bank Week.' If he does, sit down. Cross your legs. Light up a smoke and do a little dickering. That is what you would do in any other mart.

"Looks like the bankers are really anxious to show that, like other 'stores,' they have merchandise to



A two-day bank operations clinic, devoted to practical banking subjects which demand the daily interest of operational personnel, was held by the Pennsylvania Bankers Association in conjunction with the Wharton School of Commerce and Finance, University of Pennsylvania, in Philadelphia, February 1 and 2. Distinguished speakers included, left to right: Dr. W. Carlton Harris, Professor of Finance, Wharton School, clinic moderator; John T. Walters, comptroller, First National Bank, Scranton; George A. Blewitt, assistant cashier, Second National Bank of Wilkes-Barre; Alfred C. Graff, treasurer, The Pennsylvania Company for Banking and Trusts, Philadelphia; James H. Kennedy, vice-president and cashier, The Philadelphia National Bank, general chairman of the clinic; and Donald P. Horsey, president, First National Bank, Conshohocken, president of the PBA. A feature of the clinic was a talk on "Redesigning of Bank Quarters" by John J. McCann, Western Advertising Representative of Banking. Mr. McCann used a large number of slides of remodeled bank buildings

sell for the good of all. We like this de-icing. We hope it really melts. This is your chance to join the banker and melt together."

Harve H. Page, second vice-president, The Northern Trust Company, Chicago, has been appointed to the board of directors of the Financial Public Relations Association by FPRA President Hugh J. Bernard, vice-president, Second National Eank, Houston, Texas. Mr. Page was treasurer of the FPRA from 1948 to 1950.

"If you care enough, you can save enough—for almost anything in life" is the theme of the Savings Banks Association of the State of New York in its new book, Taking Good Care Of Your Dollars . . . So They Will Take Good Care of You, which is being distributed through all savings bank offices in the state.

Giving eight basic "tips" for planning a successful personal financial life, the book eschews the painful recording of every cent but admonshes the reader to "learn to walk before you start to run" with a savings plan. It is a practical guide to overcome the financial problems that every family faces from day to day.

Attractively illustrated and written in easy style, the 36-page book contains a wealth of valuable information concerning various types of savings accounts, mortgages, life insurance, social security, other forms

(CONTINUED ON PAGE 76)

Night and Day-Seven Days a Week



Mail addressed to Lock Box H arrives at the Chicago Post Office directly across Clark Street from the Continental Illinois Bank and is picked up by bank messengers at frequent intervals, night and day, seven days a week.

Prompt processing of all items by the Continental Illinois takes every possible advantage of check clearing hours in Chicago and other cities and the schedules of outbound trains and planes.

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(CONTINUED FROM PAGE 74) of investments, as well as the specific services offered by the savings banks in terms of what they mean to the individual and to the community.

William H. Switzer, vice-president and controller of The Bowery Savings Bank, has been named assistant treasurer of The Savings Banks. Association of the State of New York to succeed R. Benson Ray, who resigned. Mr. Ray's resignation followed his retirement as vice-president and controller of The Bowery.

The Missouri Bankers Association's School of Financial Public Relations will be held in Columbia April 10-12. The MBA committee on Public Relations is headed by Claude A. Templeton, executive vice-president and cashier, First National Bank, Tarkio.

The executive committee of the Michigan Bankers Association has elected Ralph L. Stickle executive manager to fill the vacancy created by the death of the late Ray O. Brundage. Mr. Stickle was formerly assistant executive manager.

Measures management can take now to minimize the disruption of U. S. industry if plants are subjected to atomic attack were explained at the three-day national personnel conference sponsored by the American Management Association, February 26-28, in Chicago.

Discussions were in the form of a panel session, "Planning for Atomic Attack," led by Carroll L. Wilson, former general manager, U. S. Atomic Energy Commission.

The National Association of Bank Auditors and Comptrollers recently mailed results of a survey on the "Duties and Responsibilities of a Bank Auditor and/or Comptroller." Ble be of ti al of ti sl b ti sl b

The survey was conducted by a subcommittee of the NABAC Research Committee in the hope that a better understanding of bank auditors' and comptrollers' positions would result, and also to assist banks who contemplate creating one or both of these positions.

The project grew out of the need for a determination of duties and responsibilities of these officers, and because there is no apparent uniformity of opinion on the matter. Chairman of the subcommittee, Edwin G. Uhl, who is vice-president and comptroller, Land Title Bank and Trust Company of Philadelphia, struck the first note of need for the project at a past NABAC convention. Coupled with his address, he asked five questions to determine the extent of authority, duties and responsibilities of auditors and comptrollers.

Twelve tabulations with comments show, among many other things, the number of banks that mention the position of auditor and/or comptroller in their by-laws, and the number of banks whose auditor and/or comptroller participate in all discussions of bank policy, as well as attending meetings of their boards. The report also shows who conducts the audit program if an auditor or comptroller is not employed, and includes over 70 excerpts of by-laws describing the two positions.

WILLIAM P. BOGIE

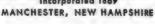


and INSURANCE

Aviation...a most valuable adjunct in peace or war...has made remarkable strides not only in production but in miles flown and passengers carried. A large part of this sensational increase has been due to the cooperation between manufacturers, air lines and insurance companies. The latter have contributed substantial financial assistance through investments and the development of new types of policies to meet every requirement. This is further evidence of the part insurance plays in national preparedness.



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BANKING NEWS

Tailoring Credit to Local Needs Is Conference Aim

Commission Suggests Banks Cut Number of Items Returned

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Says Move Important in Manpower Shortage

The Bank Management Commission of the American Bankers Association has by letter to all A.B.A. member banks recommended a review of check processing operations in order that an overall reduction in the number of returned items might be effected. It suggests that this would be of real benefit to banks, particularly at a time of impending manpower shortage. The letter, signed by J. H. Kennedy, chairman of the Commission, and vicepresident and cashier of the Philadelphia National Bank.

50-million Returned

"Of the fifty million checks that are returned annually, it is estimated about one-third were returned for endorsements or other unimportant technical reasons. Returning of items is a costly function of check handling to both the receiving and the returning bank, and if the issue is viewed realistically, a good portion of the expense can be saved.

"On the theory that the first endorsing bank is responsible for the genuineness of the endorsement of the payee of a check, many drawee banks have eliminated the verification of endorsements on checks presented for payment by other banks. Their action is supported by the fact that only the bank where the check was originally deposited or cashed is in a position to know that the endorsement is genuine and examination by the drawee bank at the time of presentation is not conclu-

"Prior endorsements are expressly or impliedly guaranteed by all banks and (CONTINUED ON PAGE 79)

Seven New Members Named to Graduate School Faculty

Bring Broad Training to Teaching Staff

Seven new men have been added to the faculty of The Graduate School of Banking of the American Bankers Association beginning with the 1951 session next June, according to announcement by Dr. Harold Stonier, director of the school.

The seven are: Karl R. vice-president, Federal Reserve Bank, Philadelphia; Dr. Earl L. Butz, head, department of agricultural economics. Purdue University, Lafayette; Leslie K. Curry, vice-president, Mercantile-Commerce Bank and Trust Company, St. Louis; Charles J. Lyon, president, Society for Savings, Hartford; Lee J. Marino, assistant comptroller, Central Savings Bank, New York; John I. Millet, president, the Troy (N. Y.) Savings Bank; and Dr. Raymond J. Saulnier, professor of eco-nomics at Barnard College and member of the Graduate Faculty of Political Science at Columbia University. Messrs. Bopp, Butz, and Millet were special lecturers at the school last year.

Mr. Bopp is the author of a number of books on central banking and other aspects of finance. He will lecture on the Federal Reserve.

Dr. Butz is the author of articles on farm finance and a book, The Production Credit System for Farmers. He will lecture on government in the farm lending field.

Mr. Curry will lecture on bank operations and management.

Mr. Lyon, who is president, Savings Banks Association of Connecticut, will lecture on savings bank investments. Mr. Marino will lecture on

personnel at the G.S.B.
Mr. Millet, the author of
Bank Audits and Examina-

Bankers, Businessmen to Speak at Instalment Meeting, Chicago, Mar. 12-14

The rapid economic changes through which the country is passing and present and prospective government controls over credit will make the questions to be discussed at the National Instalment Credit Conference of the American Bankers Association particularly important this year, according to William W. McCarthy, chairman of the A.B.A.'s Consumer

Credit Committee. Mr. Mc-Carthy, who is vice-president of the National Shawmut Bank, Boston, has announced the tentative program for the Conference, to be held in the La Salle Hotel, Chicago, March 12-14.

Mr. McCarthy said that among the questions being asked by instalment credit men which the speakers at the Conference will attempt to answer are these:

(1) How can civilian production and consumption best be maintained in a wartime economy?

(2) What is the role of individual credit in the present national emergency?

(3) What is the forecast for consumer durable goods production in 1951?

(4) What are banking's responsibilities and opportunities under present and future conditions?

(5) How can increased costs of operation be absorbed?

(6) What new types of lending are now opening in the instalment credit field?

(7) What are the effects of Regulation W on banks?
(8) To what extent has Regulation W been effective as an anti-inflation measure?

(9) Should lenders oppose continued or additional regulation of instalment credit?

(10) What should your instalment credit policy be during the remainder of 1951?

"The success of the nation in maintaining both civilian and military production and consumption during the emergency," Mr. McCarthy continued," will depend in large part on the adherence of instalment lenders to sound and flexible credit policies.

"At the National Instalment Credit Conference, we will attempt to aid bankers to tailor these credit policies (CONTIUNED ON PAGE 78)



Karl R. Bopp



Dr. Earl L. Butz



Leslie K. Curry

(Other pictures next month)

tions, will lecture on savings bank management.

Dr. Saulnier is the author of a series of studies on banking and finance. He will lecture on mortgage lending.

Tailoring Credit to Local Needs Is Aim

(CONTINUED FROM PAGE 77)

to their local conditions. Some of the speakers will be bankers from various sections of the country and many sizes of banks. Others will be representatives of industry who will discuss current business and business prospects.

"The three morning sessions of the Conference will be concerned with general conditions; and the two afternoon sessions will emphasize the practical phases of instalment lending.

"The program, which is rapidly being completed, will have several speakers in addition to those on the tentative schedule."

The tentative program for the Conference follows:

Monday, March 12

Morning Session—10 A.M. Grand Ballroom

Chairman, William W. Mc-Carthy, chairman, Consumer Credit Committee, American Bankers Association and vice-president, National Shawmut Bank, Boston; C. Francis Cocke, vice-president, A.B.A., and president, First National Exchange Bank, Roanoke; and R. M. Evans, board of governors, Federal Reserve System, Washington.

Tuesday, March 13

Morning Session—9:30 A.M. Grand Ballroom

Chairman, William F.
Kelly, senior vice-president,
Pennsylvania Company for
Banking and Trusts, Philadelphia; Louis Polk, president, The Sheffield Corporation, Dayton; Dr. Earl L.
Butz, head, Department of
Agricultural Economics, Purdue University, Lafayette.

Wednesday, March 14 Morning Session—9:30 A.M. Grand Ballroom

Chairman, Carl M. Flora, vice-president, First Wisconsin National Bank, Milwaukee; William J. Cheyney, Retail Credit Institute of America, Washington; Richard W. Trefz, president, Arkansas Valley Bank, Pueblo; and Dr. Harold Stonier, executive manager, A.B.A., New York.

Monday and Tuesday, March 12 and 13

Afternoon Sessions-2 P.M.

Monday and Tuesday afternoon sessions will be held



Members and guests attending meeting of the A.B.A.'s Consumer Credit Committee in Chicago. Left to right, seated, Messrs. Tim J. Gallivan, St. Louis; Lehman Plummer, Des Moines; John Gibson, Dallas; William W. McCarthy, Boston; Louis J. Asterita and Walter B. French, New York; Arthur B. Adams, Beloit, Wisc.; C. L. Sayre, Boulder, Colo.; Charles A. Truitt, Kansas City. Standing, Messrs. Coleman L. Isaaes, Fort Wayne; Richard H. Stoat, Louisville; Paul I. Geisinger, Cleveland; John Gavin, Buffalo; Ralph V. Arnold, Ontario, Calif.; Paul M. Welch, Atlanta; E. I. H. Bennett, Pittsburgh; J. Russell Hughes, Baltimore; Richard D. Mange, Detroit; Carl M. Flora, Milwaukee; E. J. Longinotti, Memphis; and F. T. Kirkham, San Antonio

in the Grand Ball Room and the Century Room simultaneously. The chairmen, all members of A.B.A. Consumer Credit Committee, will be:

Coleman L. Isaacs, vice-president, Lincoln National Bank and Trust Co., Fort Wayne; John M. Patton, president, Mitchell National Bank, Mitchell, S. D.; Ralph V. Arnold, executive vice-president, First National Bank, Ontario, Calif.; and Tim J. Gallivan, vice-president, Mercantile-Commerce Bank and Trust Co., St. Louis.

The speakers who appear on Monday afternoon in the Grand Ball Room will also appear in the Century Room on Tuesday afternoon. The Monday Century Room program will be in the Grand Ball Room on Tuesday. The speakers will be:

"Small Business Loans," by Harry C. Culshaw, vicepresident, Pennsylvania Company for Banking and Trusts. Philadelphia; "Modernization Credit and Regulation X," by J. O. Elmer, assistant vicepresident, American Trust Co., San Francisco; "New Investment Fields for Instalment Credit," by John M. Galvin, vice-president, Marine Trust Company, Buffalo, N. Y.; "The Overall Credit Picture," by William G. F. Price, vice-president, Bank of the Manhattan Co., New York; "Controlling Costs in Instalment Lending," Marshall S. Woods, vice-president, The Detroit Bank; and "Credits and Collections," by Paul M. Welch, vice-president, Citizens & Southern National Bank, Atlanta.

Coordinate Credit Controls to Avoid Duplication, Burns

The imposition of credit controls on the construction of commercial properties and direct controls on construction may result in an undesirable duplication of regulations which can hamper defense efforts, according to Wendell T. Burns, chairman of the Committee on Real Estate Mortgages of the Savings and Mortgage Division of the American Bankers Associaation.

In a letter to Edward L. Norton, governor of the Federal Reserve Board, Washington, D. C., Mr. Burns calls for coordination of the control authority.

"May not this situation develop," Mr. Burns asked, "that the National Production Authority will prohibit the construction of the types commercial properties which they think should not be built during this period and will permit the construction of the types of commercial properties which they think should be built? If it is thought desirable to permit some type of commercial properties, is it not possible that credit control, if strict enough to be effective, might prevent construction of some buildings which may be needed in the economy?

"In some cases, strict credit controls on a building which the NPA believes should be built, might result in cramping a company which needs its working capital to carry out business undertakings."

New Ad Series Aids Community Crusade Against Inflation

The Public Relations Council of the American Bankers Association has released a series of newspaper advertisements, lobby and window posters, blotters, and other printed material to be used by banks in support of the Association's "Community Crusade Against Inflation." This promotion material is built around recommendations for careful spending, conservative borrowing, increased savings, and the need for reduced nonmilitary spending by the Government.

The program includes these points: (1) Use What You Have-Make it last-wear it out!; (2) Buy Only What You Need—For necessities -not for greed!; (3) Pay Cash When Possible-Cash price is the low price!; (4) Use Credit Carefully-Pay all you can down-all you can monthly!; (5) Save All You Can-In the bank-in U. S. Savings Bonds!; (6) Help Cut Government Spending — Urge your legislators to discourage unessential expenditures!

Every bank is being supplied with a kit consisting of six newspaper advertisements, one on each of the above points; a window or lobby display poster with the heading, "Let's All Keep the Dollar Strong"; and blotters and envelope stuffers carrying the same message. The kit also contains ideas for speeches on the subject.

Function of School Film Traced in New Relations Booklet

An illustrated, easy-toread booklet, Deposit Future Business in Your Bank NOW, traces the function and effectiveness of the American Bankers Association's Public Relations Council film, Pay to the order of—

"Altogether," says the booklet, "over 2,000 banks are participating in the A.B.A. film program. Present sponsors include individual banks, local clearinghouses, and other associations, and voluntary groups of banks."

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The film presents reasons why checks are used, demonstrates proper drawing of checks, explains main forms of endorsements, and shows the journey of a check in completing a payment.

The Council has been commended by the National Educational Association on the fact that this film is free of any propaganda.

The second film in the A.B.A. school film series is entitled, How Banks Serve. It gives students a working knowledge of the basic functions of commercial banks, namely, safeguarding funds, transferring funds, and making loans.

A third film on personal money management is in production.

State Bank Division Asks Banks to Avoid Inflationary Loans

"Loans which would be detrimental to the over-all anti-inflation program should be conscientiously avoided," according to a letter to all members of the State Bank Division of the American Bankers Association.

"Our present economy is under constant inflationary pressure, consequently we should do all in our power to avoid contributing in any way to inflation," says John Q. McAdams, Division President, who signed the letter. Mr. McAdams is president of the Winters State Bank, Winters, Texas.

"May we stress the importance of close attention to your loan policy and urge that you arrange each loan that you make so that it will fit the individual need of the borrower and that it will be made only for constructive purposes, such as the production of defense materiel and essential civilian goods and services.

"As president of the State Bank Division," Mr. Mc-Adams'letter concludes, "may I urge that you as a state-chartered banking institution do all in your power to implement this anti-inflation program."

Judges study bank advertising campaigns at the judging of BANKING'S Forum in Print. Left to right, Kenneth Andrews, Batten, Barton, Durstine & Osborn, Inc.; Robert Lindquist, vice-president, LaSalle National Bank, Chicago, and chairman, A.B.A. Public Relations Council; Kenneth P. Woods, assistant vice-president in charge of advertising, American Telephone & Telegraph Co.; and Reginald Clough, president and editor, Tide magazine. See story on page 33



CHARLES AGUIS

A.I.B. Now Has 265 Chapters, An All-Time High Peak

Membership 88,012; Enrolment Is 33,815

Nine new chapters of the American Institute of Banking were formed during 1950, according to the annual report of the Institute's Membership and Enrolment Committee. The report was announced by John H. Duerk of The Howard Savings Institution, Newark, N. J., who is chairman of the Committee.

The nine new chapters bring the total of A.I.B. chapters throughout the nation to 265, an all-time high. In addition, the Institute has 123 study groups.

The newly organized chapters are Broward County Chapter, Fort Lauderdale, Florida; Daytona Beach, Fort Lauderdale, Chapter, Daytona Beach, Florida; Lake-Sumter Counties Chapter, Leesburg, Florida; Steuben County Chapter, Bath, New York; Central Piedmont Chapter, Concord, North Carolina; Greenville North Carolina Chapter, Greenville, North Carolina; Montgomery County Chapter, Norristown. Pennsylvania: Corpus Christi Chapter, Corpus Christi, Texas; and Wichita Falls Chapter, Wichita Falls, Texas. Wichita Falls Chapter had formerly been an A.I.B. study group.

In line with other educational institutions, the A.I.B. experienced a slight decline in membership and enrolments during the first semester of this Institute year compared with the first semester of last year.

On Jan. 1, the midpoint of the Institute year, the A.I.B. had 88,012 members, compared with 89,898 on Jan. 1, 1950. First semester enrolments in Institute classes totaled 33,815, compared with 38,425 a year previously. Experience shows that enrolment figures at the end of the Institute year in June are generally about one-third higher than at the midyear.

A number of states had large increases in membership during the year. Those with the largest increases were Florida, where three of the new chapters are located, which had a membership increase of 455; Minnesota, with an increase of 483;

Cut Number Items Returned, Says A.B.A.

(CONTINUED FROM PAGE 77)

cheeks may be returned for incomplete, missing, or forged endorsements at a later date. Moreover, only certain depositors verify endorsements on canceled checks and examination by the drawee bank may be confined to such accounts. Also as a matter of customer service, the elimination of endorsement verification may be limited to checks under a certain amount at the choice of the drawee bank.

"A recent survey of approximately 1,700 banks indicated that 60 percent of them are verifying all endorsements, while the remainder either did not look at endorsements at all or confined their inspection to checks of certain deposi-tors or to checks of larger amounts. The experience of the latter group, some of which have followed the practice for many years, indicates that no adverse customer reaction has developed. In the rare instances of a customer requesting the bank to obtain a missing endorsement, the item is returned without entry to the last endorsing bank by letter. The cost of checking endorsements on checks for small amounts is far in excess of any loss that might be sustained as a result of not examining them. Therefore, apart from any question of liability of the drawee bank, some banks are willing to take the risk of having to pay a loss to save the cost of employee time otherwise used in examining endorsements on checks for small amounts.

"The Bank Management Commission of the American Bankers Association strongly recommends that you review the check processing operation in your own bank. An over-all reduction in the number of returned items will not only be of material advantage to you but also will be a real benefit to banks in general particularly at a time of an impending manpower shortage."

Massachusetts, 325; and New Jersey, 309. California has the largest A.I.B. membership of any state in the nation—12,783 members in 33 chapters and study groups.

Will End Savings and MortgageConference

The National School Savings Forum which will be held as the concluding feature of the Annual Savings and Mortgage Conference of the American Bankers Association at the Hotel Statler in New York on March 6 will be addressed by James E. Shelton, A.B.A. president and president, Security-First National Bank of Los Angeles.

The forum will open at 4 P.M., with a panel discussion of these questions:

(1) Does the school savings program support and supplement the aims and objectives of the school? and (2) To what extent can the individual bank go in cooperating-what values accrue to the bank?

Members of the panel will include Ralph W. Matteson, chairman, Committee on School Savings Banking, Savings and Mortgage Division, A.B.A., who is vice-president, Savings Bank of New London, Conn.; Mercer C. Macpherson, chairman, New Jersey School Savings Forum, and vice-president, Montclair Savings Bank; Thomas F. Power, Superintendent of Schools, Worcester, Mass Worcester, Mass.; Millicent Trichler, chairman, New York School Savings Forum, and director of school savings, Dollar Savings Bank, Bronx, N. Y.; and Frank Zimmerman, principal Cranford (N.J.) High School.

Mr. Matteson will preside at a banquet in the evening at which Mr. Shelton will speak.

The Savings and Mortgage

School Savings Forum | New Instalment Credit | Manual to be Ready for Distribution Soon

A.B.A. Member Banks May Have Free Copy

A new Bank Manual On Instalment Loans will be ready for distribution in a few weeks by the Consumer Credit Department of the American Bankers Association. One copy is free to any A.B.A. member banks requesting it from the Department.

The introduction to the new publication notes that: "In the development of the instalment credit business, some banks have had greater opportunities, and hence greater experience. This manual has been prepared to present to banks generally some of the methods used by the more successful banks. It represents an endeavor to offer to banks a basic guide to the operation of a personal loan department, which may be expanded as future developments warrant."

Various forms which are used for personal instalment cash loans are illustrated. Banks are cautioned, however, that they should be used only as guides, and banks should "adopt forms which will fit into their own individual operation and at the same time conform to the local statutes."

Conference program for the full two-day meeting may be found on page 90, February BANKING.

Revise Agricultural **Financial Statement**

The Agricultural Commission of the American Bankers Association has revised its Agricultural Financial Statement Form, which has been approved, printed, and is being distributed by the A.B.A. Bank Management Commission.

The form, covering two sides of a single sheet, is designed to provide a complete and accurate statement of the financial condition of anyone applying for an agricultural loan. It provides for all such needed information, yet was designed to be simple and easy to fill out.

Spaces are provided for listing of: property owned; debts owed; notes endorsed for others; chattel mortgages, conditional sales contracts, secured instalment notes, etc.; real estate mortgages, deeds of trust, assessments:

Dairy, breeding, workstock, and poultry; harvested crops for farm use: trucks, automobiles, machinery, tractors. and equipment; livestock held for sale; harvested crops held for sale; estimated farm income and yield data; estimated expenses; and general statements and information.

Know-Your-Bank Week **New Promotion Ready**

A "Know Your Bank Week" promotion campaign has been developed by the Public Relations Council of the A.B.A. and is being offered to state bankers associations that want to sponsor such a week in their

The A.B.A. Personnel Testing Committee in a recent New York meeting. Left to right, Charles W. Books, Philadelphia; Alfred E. Langenbach, Chicago; C. C. Lincoln, Los Angeles; Lee A. Chambliss, Newark; Fred W. Brush, Cleveland; Marjorie Gelink, Dr. Harold G. Seashore, and Dr. George K. Bennett, of the Psychological Corp., New York; William Powers and Doris Spolander, of A.B.A., New York; Herbert E. Welch, Hartford; Arthur S. Greiner, Detroit; Stanley Rawstron, Boston; Brantley Watson, Richmond; Daniel R. Howe, New York



Faculty Conference of G.S.B. Scheduled Saturday, March 10

Alumni Reunion and Banquet are Features

The annual organization meeting of the faculty of The Graduate School of Banking and the annual reunion of the school's alumni will be held in the Hotel Biltmore, New York City, March 10.

The faculty conference will open with a luncheon, followed by individual meetings of the faculty groups of each of the school's four major fields - commercial banking, savings management, investments, and trusts. The purpose of these meetings is to make final plans for the forthcoming summer session of the school at Rutgers University, New Brunswick, N. J. This year's session, to be held from June 18-June 30, will have a faculty of 57, plus 25 special lecturers.

Following the faculty conference, the school's alumni will hold an annual reunion, which is in charge of the Class of 1949. Graduates of each of the four major subjects will hold individual conferences beginning at 2:30 P.M. At 4:15 P.M. all of the alumni will meet with the faculty to hear a prominent speaker and attend a reception and banquet.

The program follows:

Commercial Banking -Chairman, Leland S. Brown assistant vice-president, The National City Bank of N.Y.

Savings Management — Chairman, Charles A. Ferretti, auditor, Central Savings Bank, New York.

Trusts-Chairman, Francis W. Appleton, assistant trust officer, The Citizens National Bank & Trust Co., Englewood, N. J.

Investments — Chairman, Alfred S. Mills, mortgage production manager, Bank for Savings, New York.

Arrangements for the alumni meeting are being made by a committee under the chairmanship of George J. Varley, assistant vice-president of the Bank of the Manhattan Company.

C. Norman Ramsey, vicepresident of the Birmingham (Alabama) Trust National Bank and president of the Class of 1949, will preside at the banquet.

Free Folders Tell **Route Symbol Story** to Bank Depositors

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"We Need Your Help to Help You" is the title of a folder being distributed to all member banks of the A.B.A. by the Bank Management Commission.

The folder, prepared jointly by the Commission and the Committee on Collections of the Federal Reserve System, deals with the check routing symbol and its correct placement on checks. It was designed for distribution to depositors.

A letter accompanying the folder notes that "practically all of the banks now have the symbol on depositors' checks."

Need Seen for Banks to Employ 100,000 New Workers Yearly; Turnover Rates Have Doubled or Trebled in Last Few Months

"It appears that banks as | a group will have to hire a minimum of 100,000 new employees during the current year and may have to hire many additional thousands if turnover rates continue to increase," according to Bank Manpower Bulletin No. 2 sent out in February to all A.B.A. members banks by the A.B.A. Customer and Personnel Relations Department.

"Spot checks made in recent weeks with key bank personnel men in the major labor markets in the country," the Bulletin states, "indicated that the turnover rates have doubled, and in a few cases trebled, during the past few months. They also reported that replacements are becoming more difficult to obtain and that it is becoming necessary again to lower hiring standards as they had to during World War II. Many banks have already change their policies relative to the employment or retention of married women, part-time workers, and more than one employee from the same family, and the compulsory retirement of older employees.

"Some banks have already asked retired personnel to re-

turn to active work with the bank."

The Bulletin makes mention also of the forthcoming Bank Manpower Conference to be held at the Edgewater Beach Hotel in Chicago on April 26 and 27. At this conference key Government officials and banking authorities on manpower problems will review the manpower aspects of the mobilization program as they exist at that time and will discuss methods by which individual banks can alleviate the effects of the manpower shortage and suggest possible remedies.

CALENDAR

American Bankers Association

- Mar. 1- 2 ABA Committee on Service for War Veterans, Drake Hotel, Chicago, Illinois

 Mar. 5- 6 Annual Savings & Mortgage Conference,
 Hotel Statler, New York, N. Y.

 Mar. 6 ABA National School Savings Forum,
 Statler Hotel, New York, N. Y.

 Mar. 7- 8 ABA Committee on Real Estate Mortgages, Statler Hotel, New York, N. Y.

 Mar. 12-14 National Instalment Credit Conference, La
 Salle Hotel, Chicago

- Salle Hotel, Chicago

 ABA Agricultural Commission Annual
 Meeting, Fort Des Moines, Des Moines, Mar. 22-23
- Iowa. Mar. 22-23
- Central States Conference, Savery Hotel,
 Des Moines, Iowa
 ABA Bank Manpower Conference, Edgewater Beach Hotel, Chicago, Illinois
 Executive Council Spring Meeting, French Mar. 26-27
- Apr. 22-24 Lick Springs Hotel, French Lick, Indiana American Institute of Banking Annual Convention, Hotel Wm. Penn, Pitts-June 4-8
- burgh, Pa. The Graduate School of Banking, Rutgers University, New Brunswick, N. J. June 18-30
- Sept. 30-Oct. 3 th Annual Convention, Stevens Hotel, Chicago, Illinois

State Associations

- Apr. 1-3 Florida, Palm Beach Biltmore Hotel, Palm Beach
- Apr. 10-12 Missouri. Public Relations Conference, Columbia
- Apr. 15-17
- Apr. 17-19 May 7- 9 May 9-11
- May 9-11 May 10-11 May 10-12 May 11-12
- Columbia
 Louisiana, Bentley Hotel, Alexandria
 Georgia, Ansley Hotel, Atlanta
 Missouri, Muehlebach Hotel, Kansas City
 Kansas, Kansas City
 Ohio, Statler Hotel, Cleveland
 New Mexico, La Fonda Hotel, Santa Fe
 South Dakota, Cataract Hotel, Sioux Falls
 Texas, Baker Hotel, Dallas
 Tennessee, Andrew Johnson, Knoxville
 Delaware, Du Pont Country Club, Wilmington May 14-15 May 15-16 May 17
- mington Oklahoma, Mayo Hotel, Tulsa South Carolina, Francis Marion Hotel, May 17-18 May 18-19
- Charleston
- Charleston
 California, Huntington Hotel, Pasadena
 Maryland, Chalfonte-Haddon Hall Hotel,
 Atlantic City, N. J.
 Arkansas, Arlington Hotel. Hot Springs
 Mississippi, Buena Vista Hotel, Biloxi May 20-22 May 21-22
- May 21-23 May 21-23

- New Jersey, Chalfonte-Haddon Hall Hotel, Atlantic City North Carolina, The Carolina Hotel, Pine-May 23-25
- May 23-27 hurst
- Alabama, Hotel Thomas Jefferson, Bir-May 24-25
- mingham North Dakota, Gardner Hotel, Fargo May 25-26 May 31-June 2
- Colorado, Broadmoor Hotel, Colorado Springs
- June 3-5 June 3-6
- Idaho, The Lodge, Sun Valley
 Pennsylvania, Chalfonte-Haddon Hall Hotel, Atlantic City, N. J.
 Dist. of Columbia, The Homestead, Hot June 6-10
- Springs, Va. Massachusetts, New Ocean House, Swamp-June 7-9 scott
- June 8- 9 Connecticut, Equinox House, Manchester, Vt.
- June 8- 9 June 10-12 June 11-12 June 11-13
- Vt.
 Wyoming, Irma Hotel, Cody
 Oregon, Gearhart Hotel, Gearhart
 Utah, Ben Lomond Hotel, Ogden
 Virginia, The Homestead, Hot Springs
 Illinois, Jefferson Hotel, St. Louis, Mo.
 Indiana, Franch Lick Springs Hotel, June 12-14 June 13-14
- French Lick
 Minnesota, Radisson Hotel, Minneapolis
 New Jersey Savings Banks, Monmouth
 Hotel, Spring Lake
 New Hampshire, Wentworth-By-The-Sea,
 Portsmouth, N. H.
 New Hampshire Savings Banks, Wentworth-By-The-Sea, Portsmouth, N. H.
 Vermont, Equinox House, Manchester
 Washington, Olympic Hotel, Seattle
 Michigan, Book-Cadillac Hotel, Detroit
 Wisconsin, Schroeder Hotel, Milwaukee
 Montana, Canyon Hotel, Yellowstone National Park
 New York. Essex, Sussex and Monmouth French Lick June 13-14
- June 15-16 June 15-16
- June 15-16
- June 15-16 June 17-19 June 18-20
- June 18-20 June 21-23
- New York. Essex, Sussex and Monmouth Hotels, Spring Lake, N. J. Maine, Poland Spring House, Poland June 21-24
- June 22-24
- Spring est Virginia, The Greenbrier Hotel, West July 12-14 White Sulphur Springs . Joint Convention

Other Organizations

- Mortgage Bankers Association's Eastern Mar. 26-27 Mortgage Conference, Hotel Statler, New
- 38th Annual Convention Mortgage Bankers Association of America, Mark Hopkins and Fairmount Hotels, San Fran-Sept. 11-14 cisco, California

Mid-Winter Trust Conference

Brief Summary in Words and Pictures

PORTY-ONE states, the District of Columbia, Canada, and Bermuda sent nearly 1,800 trust men to the 32nd Mid-Winter Trust Conference of the American Bankers Association in New York last month.

In addition to speaking on "Trusts in a War Economy," Division President Raymond H. Trott presided at several of the sessions. Other presiding officers included: Merle E. Selecman, A.B.A. deputy manager and secretary, Trust Division; Robert A. Wilson, chairman of the Division's Executive Committee; who is vice-president, Pennsylvania Company for Banking and Trusts, Philadelphia; Joseph W. White, vice-president, Trust Division, and vice-president, Mercantile-Commerce Bank and Trust Co., St. Louis; and Robert R. Duncan, president, Harvard Trust Co., Cambridge.

The retirement of Gilbert T. Stephenson as director of trust research of The Graduate School of Banking and head of the school's Trusts faculty was announced during the conference by Dr. Harold Stonier, director of the G.S.B. and executive manager of the A.B.A. The announcement was made following Mr. Stephenson's address to the third session of the Conference, which was under the auspices of the Trust Division.

As a token of appreciation for Mr. Stephenson's many years of service to the trust field, he was presented with an engrossed testimonial by Dr. Stonier, acting in behalf of the Trust Division.

Mr. Stephenson, who is a former vice-president of the Wachovia Bank and Trust Company, Winston-Salem, North Carolina, and of the Equitable Trust Company, Wilmington, Delaware, has been a member of the G.S.B. faculty since the school's founding by the A.B.A. in 1935. He was also president of the Trust Division during 1930-31.

The trust men attending the Conference were luncheon guests of the New York Clearing House at the conclusion of the Conference on Wednesday. In behalf of

As a token of the Trust Division's appreciation of Mr. Stephenson's many years of service to the trust field, Dr. Stonier, right, presents him with an engrossed testimonial





Four Trust Conference speakers—left to right—George Whitney, president, New York Clearing House and president, J. P. Morgan & Co., Incorporated; James E. Shelton, A.B.A. president; Arnold Wolfers, Sterling Professor of International Relations, Yale University; and Trust Division President Trust

the Clearing House, President George Whitney extended greetings to the delegates.

A few thoughts gleaned from the prepared addresses of the distinguished group of Conference speakers are presented hereinafter. The addresses will be reprinted in full in future issues of the *Trust Bulletin*.

Impact of Inflation: "It is sometimes said that investment is the essence of trusteeship. . . . The purchase of equities for trust funds is becoming more general. Common stocks as a medium of trust investment in those states where the law permits are being widely used. . . . While we should be fully aware of the implications of inflation, we should nevertheless be not unmindful of the conservatism that has made corporate fiduciary activities so successful over the years."—Raymond H. Trott, president, Trust Division, and president, Rhode Island Hospital Trust Co., Providence.

Present Day Problems: "I have heard many proposals coming out of Washington to tax corporations and individuals in the high-income brackets, but I have not seen any realistic program to tax the only source ["citizens of modest means"] from which enough money can be secured to pay the cost of the armament program and save the country from inflation. Why? The answer is obvious. It is not good politics. Well, we cannot let politics stand before the needs of the country."—James E. Shelton, president, A.B.A., and president, Security-First National Bank of Los Angeles.

Profitable Operations: "Regardless of whether your year's results have been good or bad, there are usually



An attentive audience listens to a Conference speaker

one or two basic causes. The trick is to search them out. They should be a major point of thought in basing your new business strategy for the coming year."—Laurence H. Tharp, vice-president, Anglo California National Bank, San Francisco.

Manpower: "While able representatives of banking have attempted to present to governmental authorities a convincing case of the essentiality of banking, there is no positive assurance that banking will be on the revised official list which is scheduled for promulgation in the near future."—William Powers, director of Customer and Personnel Relations, A.B.A.

Financial Forums: "After one of our trust forum meetings, we were able to trace direct results by way of six appointments under wills where assets run from \$100,000 to \$250,000."—R. M. Alton, vice-president and trust officer, United States National Bank, Portland, Oregon.

Advertising: "We should do more rather than less trust advertising. We should take and hold a positive position on our right to advertise our services in appropriate ways."—Gilbert T. Stephenson, then director of trust research, The Graduate School of Banking, A.B.A.

Investments: "By following a conservative policy and by diversifying between stocks and bonds, a fair degree of safety can be maintained, income can be increased, and at least some protection of principal against the decline in the purchasing power of the dollar can be achieved."—Dr. Marcus Nadler, professor of finance, New York University.

Investments: "If we are in the trust business seriously, there is no reason for any distinction to be made with regard to investment skills between large and small trust departments."—John H. Evans, president, McDowell National Bank, Sharon, Pennsylvania.

Costs: "In our institution we have found that flexibility is an important qualification in the use of a fee schedule. Using our basic fee schedule as a yard-stick, we apply increases on a percentage basis where activity in the account or exceptional responsibility justifies a larger fee."—William G. Cleaver, vice-president and trust officer, First National Bank and Trust Company, New Haven, Connecticut.

Nominee Registration: "It is possible to eliminate virtually all your worries in this connection by a very simple device which has been generally adopted by bank transfer agents. This device is a policy of effecting the transfer of stock from the name of banks as fiduciaries without requiring the submission of supporting documents in certain cases."—David T. Pyne, vice-president and trust officer, First Bank and Trust Co., Utica, New York.

Pension Plans: "No conclusive evidence is available that the widespread adoption of private pension plans tends to force early retirement; but if we have compulsory retirement provisions for pensioning the employee at an age earlier than he wants to retire, there may be undesirable personal as well as economic consequences."—Laurence J. Ackerman, dean, School of Business Administration, University of Connecticut, Storrs.

Common Stock Investments: "The principal reasons for utilizing common stocks in pension funds are to provide better diversification among industries; to participate in 'growth' companies; to offset, at least at times, the mistakes made in part of the investment; to move in the direction of offsetting the deterioration of the dollar; and finally, to increase the yield of the fund and thereby reduce the cost of pensions to the employer."—Paul I. Wren, vice-president, Old Colony Trust Company, Boston.

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Federal Tax Outlook: "Can expenditures be cut? There is a real opportunity to eliminate a good part of the budget deficit in this fashion, without serious damage to defense needs. Too many nondefense expenditures have been retained in the budget, on the expressed theory that in some way they contribute to the defense effort."—Roswell Magill, Cravath, Swaine & Moore, New York, professor of finance, Columbia University.

Ultimate Property in America: "If dogma proves too much for the dogmatist, free man can breathe freely again. With that free breathing comes again into bold and beautiful relief man's ultimate property: the possession of soul not by another but by his own sovereign self. This is the ultimate property which we Americans hold in trust for our children and for

all mankind."—Dr. T. V. Smith, Maxwell Graduate School of Citizenship and Public Affairs at Syracuse University.

Force and Diplomacy: "Rather than to appease our friends by dangerous concessions to members of the Soviet bloc, we should seek to reassure them by the firmness of our assistance and the caution of our actions. Firmness and caution in Asia mean limiting ourselves at the moment to holding and delaying operations. In Europe it means sharing directly in the dangers of that lamentable military vacuum. . . . We can be confident that General Eisenhower will not let his troops be trapped by the Russians; there is plenty of space for maneuver in Europe."—Arnold Wolfers, Sterling Professor of International Relations, Yale University, New Haven.





Above, left, Dr. Marcus Nadler, professor of finance, New York University, speaking on "Trust Investments During the Emergency." Seated, right, Joseph W. White, vice-president, Trust Division and vice-president, Mercantile-Commerce Bank and Trust Co., St. Louis; Merle E. Selecman and Charles E. Orcutt, secretary and assistant secretary, respectively, Trust Division. Above, right, David T. Pyne, vice-president and trust officer, First Bank and Trust Co., Utica, speaking on "Operating Economies in Smaller Departments." Seated, left, John H. Evans, president, McDowell National Bank, Sharon; and Robert R. Duncan, president, Harvard Trust Co., Cambridge

Below, left, Paul I. Wren, vice-president, Old Colony Trust Co., Boston, speaking on "Common Stocks and Pension Funds." Seated, right, Trust Division President Trott. Question and answer panel on "Pensions and Employees' Trusts," below, right, left to right, G. Warfield Hobbs, III, vice-president, City Bank Farmers Trust Co., New York; Cecil O. Bronston, vice-president, Continental Illinois National Bank and Trust Co., Chicago; Carlysle A. Bethel, senior vice-president and senior trust officer, Wachovia Bank and Trust Co., Winston-Salem, and chairman, Trust Division's Committee on Employees' Trusts, leader; R. B. Loomis, secretary and assistant vice-president, Brooklyn Union Gas Co.; and D. B. Maduro, New York attorney





Famous American Homes



Exceptionally fine wood-carving beautifies this rosewood piano

THE CAMPBELL HOUSE

bought with beaver pelts

AN AURA of mystery long surrounded the Campbell House in downtown St. Louis where two wealthy bachelors lived behind closely shuttered windows. The two recluses were the sons of Robert Campbell who crossed the plains and won wealth in the early days of the West. Among his companions were Kit Carson, Jim Bridger and other notables of that adventurous era, and Campbell's own exploits as fur trader and Indian fighter have been mentioned by several writers including Washington Irving.

At the age of twenty, Campbell came to St. Louis from Ireland in 1824, and the following year joined an overland expedition for the sake of his health. In time he became a trapper and later co-owner of an important fur trading company.

Before the famous battle with the Blackfeet at Pierre's Hole, Campbell and his
friend William Sublette made their wills as
they dashed forward on horseback to join
the fray, each naming the other executor.
During the fight Campbell displayed great
bravery by carrying his wounded friend to
safety under fire. Despite his numerous hostile encounters with the Indians his fairness
and integrity won their lasting respect.

After amassing a fortune in beaver pelts, Campbell returned to St. Louis in 1836 and became one of the town's most influential citizens, serving as president of two banks, owner of the Southern Hotel and much real estate. In 1854 he acquired the Campbell House which had been built in 1851.

During the Mexican War Campbell



played a prominent part by recruiting and equipping four regiments for General Kearny's march to Santa Fe. His long-standing friendship with the Indians was put to use when he joined Father De Smet, the great missionary, in a treaty council at Fort Laramie and again when he served as member of the Indian Commission appointed by President Grant.

Campbell's death in 1879 was followed by his wife's three years later after which the house passed to their sons who lived in seclusion, jealously guarding it from change. Thus in 1941 when a



group of public-spirited organizations and citizens raised the money to purchase the house from Yale University to which it had been deeded, the fine old 19th century dwelling remained just as it was

in Campbell's day. Under the auspices of the Campbell House Foundation it is now a museum, preserving the atmosphere of the city's "golden decade" of the 1850's.

The Home, through its agents and brokers, is America's leading insurance protector of American homes and the homes of American industry.

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The Home Indemnity Company, an affiliate, writes
Casualty Insurance, Fidelity and Surety Bonds
Coppright 1930, The Home Insurance Company

Main Street

(CONTINUED FROM PAGE 30)

Vice-presidents EUGENE McEL-VANEY and JOHN J. KETTLE have been elected to the new office of senior vice-president at the First National Bank in Dallas. JACK E. LITTLE was elected assistant vicepresident; W. R. FULLER, auditor; LOREN D. GORDON, assistant trust officer; and ROBERT H. STEWART III, assistant cashier. Mr. Gordon was formerly with the Continental Illinois National Bank & Trust Company of Chicago.

VERNON T. PITTINGER has been named vice-president of The Equitable Trust Company of Baltimore. J. RUSSELL HUGHES is a newly elected second vice-president.

GERALD J. HENNESSEY, formerly with the Bank of New York and Fifth Avenue Bank, New York City, has joined the staff of the Republic National Bank, Dallas, as an assistant trust officer.

Advancements at the Seattle-First National Bank include: Vice-presidents, THEODORE R. PIELE, L. LYAL STRINGHAM: assistant vice-president. CHAUNCEY M. PEARCE; trust officers, PHILLIP W. McEntee, George P. HILL: assistant trust officer, DAVID E. ELLISON.

The Marine Trust Company of Buffalo announces these elections: First vice-president, FRANCIS A. SMITH; senior vice-presidents, AL-BERT L. SANDERSON, OLIVER A. WEPPNER; vice-presidents, JOHN M. GALVIN, ALBERT T. HARDICK; assistant vice-president, George J. ENSER; assistant treasurers, George F. RAND, JR., LLOYD W. HEMINK.

Appointments at the First National Bank of Cincinnati: Cashier and comptroller, SAMUEL E. MAX-WELL: auditor, EUGENE F. FLANA-GAN; assistant cashiers, CHARLES W. FINCH, WALTER J. SIEGLER, STANLEY E. HARPER, EDWARD J. RENNEKER; trust officers, WILLIAM COUGHLEN, EDGAR C. WOHLWENDER, WELLS WOODLEY, J. RAWSON COL-LINS: assistant trust officer. RALPH W. KOHLHOFF. WILLIAM R. GALLO-WAY, who has served as vice-president and cashier, will devote himself exclusively to new duties as vice-president.







J. J. Kettle



K. M. Sedgewick



S. A. Heatley

Elections at The First National Bank of Tampa, Florida: Vice-president and trust officer, M. B. SES-SIONS; vice-presidents, J. F. ADAMS, E. W. JOHNSON; assistant cashier, C. M. ROWLAND; assistant trust officer, W. H. WELTMAN. The bank has purchased the Tampa Gas Company building, adjoining its own property, for later use.

Bishop National Bank of Hawaii. Honolulu, announces the election of Executive Vice-president CARL E. HANSON as president, succeeding GEORGE S. WATERHOUSE who has retired after 50 years with the bank.

The Barnet National Bank of Jacksonville has advanced A. B. DAVIS and O. L. JOHNSON to vicepresidents. CHARLES T. ROBINSON. DOWNING NIGHTINGALE and A. W. MITCHELL were made assistant cashiers.

JOHN C. FOLEY has been appointed assistant vice-president of Chemical Bank & Trust Company, New York, at the Waldorf office.

State-Planters Bank and Trust Company, Richmond, has appointed CLAUDE D. EDWARDS, T. FLOYD KELLEY, JR., and G. AUBREY WARD, JR., as assistant trust officers and assistant secretaries. ROBERT A. Browning, Jr., Joseph A. Jennings, and ERNEST L. MERKEL were elected assistant cashiers.

JAMES A. IRWIN has been made vice-president and comptroller at The Bank of Georgia, Atlanta, President JOSEPH E. BIRNIE was recently elected treasurer of the Georgia Committee, American Association for United Nations.

The First National Bank of Mobile has promoted HARWELL E. COALE to vice-president and trust officer and JAMES S. Crow to assistant cashier and bond department manager.

The Royal Bank of Canada announces several executive changes. Vice-president B. L. MITCHELL, who has been chief administrative officer in Ontario, is being succeeded in that capacity by K. M. SEDGEWICK. C. B. NEAPOLE was made an assistant general manager and W. E. McLaughlin became manager of the Montreal branch. Mr. SEDGEWICK is now an assistant general manager at Toronto. He formerly had the same title in the main branch in Montreal.

STUART A. HEATLEY has been named vice-president of American Trust Company, San Francisco. Miss W. ELSIE TOLLEY was appoined assistant vice-president.

Vice-president ELWOOD J. SCHMITT of the Anglo California National Bank, San Francisco, has been placed in charge of the foreign and correspondent relations departments.

CHARLES W. WARTERFIELD has been elected a vice-president of the First American National Bank of Nashville. His principal duties will be in the public relations and business development department. Mr. WARTERFIELD is a member of the boards of governors of the Investment Bankers Association of America and the National Association of Security Dealers. He is president of a grain company in Union City, Tennessee.

(CONTINUED ON PAGE 88)

C. W. Warterfield







BANKING



When you buy Governments from Bankers Trust-you deal direct

As a primary dealer in U. S. Government bonds, notes, certificates, and discount bills, we maintain an inventory of these securities in our Trading Department.

This means that your orders placed with us are executed without delay—no red tape or outside telephone calls. Immediate confirmation of orders can mean an important saving for your bank.

Moreover, this service is rendered to our customers at the lowest possible cost—all prices are net. We are glad to work with you on your bond account, advise you on the arrangement of maturities, and suggest switches from one issue to another as market movements provide favorable opportunities.

In addition, our Bond Department is a leading dealer in State and Municipal issues. We are prepared to answer your questions regarding this segment of your portfolio.

For full information on how this service can benefit your bank, write Bond Department, Bankers Trust Company, 16 Wall Street, New York 15, N. Y. Telephone REctor 2-8900 when we can be of assistance. Our teletype numbers are NY 1-3333 for Governments and NY 1-850 for State and Municipals.

BOND DEPARTMENT

BANKERS TRUST COMPANY

NEW YORK

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



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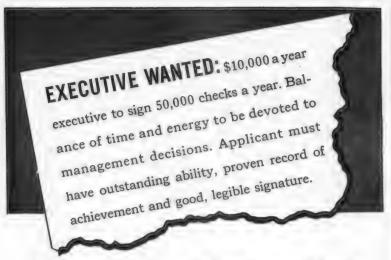
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If you saw an advertisement like this—wouldn't it make you stop and think?

Are you—or any other officers in your bank—still signing checks by hand—by the hundreds—wasting executive ability and energy on a task now being handled in many leading banks by the Todd Protectograph Signer?

A time study survey has just been completed analyzing the financial loss due to hand signing of checks; it covers salary brackets from \$5,000 to \$25,000. It shows, for instance, how a \$15,000 a year executive, signing 2,000 checks a week, is wasting \$3,000 annually for his bank. And, at the same time, he's distributing 104,000 "samples" of his signature—a dangerous procedure for any bank.

Save officer time! Protect signatures—and bank funds—with a Todd Protectograph Signer that defies duplication by providing positive control over check issuance with tamper-proof lock and non-resettable counter—and, in addition, speeds up check issuance.

A copy of the above time study survey, showing how much it costs your bank to hand-sign checks, is yours for the asking. Clip the coupon now and we will send you the report and the full story about the Todd Signer.

	THE TODD COMPANY, Inc., Dep	ot. B. Rochester 3, N.Y.
lodd.	Please send us a copy of the survey "Cost of Signing Checks by Hand"—without, of course, any cost or obligation on our part.	
COMPANY, INC.	Name of Bank	
ROCHESTER NEW YORK	Address _	
SALES OFFICES IN PRINCIPAL CITIES	City	Zone. State
DISTRIBUTORS THROUGHOUT THE WORLD	By	B-3-51

(CONTINUED FROM PAGE 86)

Union Trust Company of Springfield, Massachusetts, announces the promotion of Edwin B. Thorpe to vice-president. A new director is Eldon V. Johnson, president of the United States Envelope Company. E. Dwight Strong is now assistant treasurer.

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CALVIN W. AURAND, formerly vicepresident of the Midland National
Bank of Minneapolis, has been
elected president of the Iowa-Des
Moines National Bank, Des Moines.
He succeeds Herbert L. Horton
who was made chairman of the
board, a new office. Albert J. RoBERTSON and CLYDE H. DOOLITTLE
were elected senior vice-presidents.
JAMES R. BROWN, CHARLES R.
CLIFT, ORVILLE GORE and CLARENCE
MICKELSON were promoted to assistant vice-presidencies.

James K. Campbell and Gardiner S. Robinson have been made assistant cashiers at The Commercial National Bank and Trust Company of New York.

POPE F. BROCK, counsel for the Coca Cola Company, is a new director of the Fulton National Bank, Atlanta.

The second National Bank in Houston has made these promotions: Vice-presidents, J. P. SMITH, REX WHEELER, MICHAEL DAVIS; as-

C. E. Gersten, president of The Public National Bank and Trust Co., New York, was made an honorary member of New York Chapter, American Institute of Banking, at the Chapter's annual dinner, in recognition of his long support of A.I.B. activities and his achievements as a banker. Below, Mr. Gersten, right, and Chapter President George Dineen



sistant vice-presidents, Karl Boldt, Maurice Faubion, Tom Brown; assistant cashiers, Newton Wray, Merle Crockard.

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JAMES J. NANCE, president of Hotpoint, Inc., has been made a director of the City National Bank and Trust Company, Chicago. Staff elections: Senior vice-presidents, C. S. MACFERRAN, WILLIAM H. MILLER; vice-presidents, PHILIP R. CLARKE, JR., GEORGE I. DANIELS, CURRY B. FREEMAN, A. H. LINDGREN; assistant trust officer, JAMES BECKETT; assistant cashiers, VINCENT M. LIZZO, ROY L. OLSEN, CLARENCE PEACH.

JOHN G. WHITTLE, formerly general agent for Connecticut Mutual Life Insurance Company in Decatur, Illinois, has joined the staff of The Millikin National Bank in that city as vice-president. Cashier O. F. Kuny has also been made a vice-president. James F. Morrison and D. V. Chapman are newly appointed assistant cashiers.

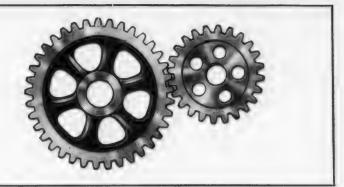
The Federal Reserve Bank of Minneapolis has advanced MAURICE H. STROTHMAN, JR., to vice-president, CLEM VAN NICE to assistant vice-president, and KYLE FOSSUM to assistant cashier.

DANA F. BATTING and ROBERT H. CHARLTON are newly appointed vice-presidents of the Malden (Massachusetts) Trust Company.

Promotions at the Citizens National Bank of Los Angeles: Junior vice-president and personnel director, E. E. KENWAY; junior vice-presidents, B. B. REYNOLDS, JULES MALING; assistant cashier, FRANK W. SCUDDER, and assistant trust officer, JOHN E. ROBERTSON.

The Cleveland Trust Company has advanced H. J. LAMBACHER, H. M. SHEELER and J. A. SHEETZ to trust officers; JACK W. WOODBURN and W. W. WHEELER to assistant treasurers; E. A. EISELE, JR., and E. H. HAGERTY to assistant trust officers.

Appointments at the Federation Bank and Trust Company, New York: Assistant vice-president, WILLIAM LARSEN; assistant secretary, JOSEPH T. SANDLEITNER; assistant treasurer, VINCENT J. BADALA.



Is your client's machinery insurance geared to present values?

Do your clients know what their machinery is really worth? Not "book" values, but replacement cost in the light of today's values? They'd better... the safety of their business and the security of your loans is at stake!

It's important to estimate the actual value of machinery for two reasons:

- (1) To get adequate insurance protection for this big investment.
- (2) To provide valid data for support of a possible claim, as required by insurance policies.

You can do something about this. The Hartford Fire Insurance Company has prepared a booklet entitled, "Your Machinery and its Actual Cash Value." It contains forms and examples which help you and your clients estimate the values needed for insurance policies and claims. Send coupon for free copy . . . it may save your clients (and you) a big loss.

Then urge your clients to see their Hartford agent or insurance broker about a sound program of insurance protection for their machinery. In more than 5000 communities the nearest Hartford agent can be located by calling Western Union by number and asking for "Operator 25."

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HARTFORD ACCIDENT AND INDEMNITY COMPANY
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HARTFORD

FIRE INSURANCE COMPANY

Hartford 15, Connecticut

Please send free copy of booklet "Your Machinery and its Actual Cash Value."

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Address

March 1951

HENRY W. HAMILTON has been made a vice-president of Wood & Huston Bank, Marshall, Missouri.

DEWITT RAY, president of the National City Bank of Dallas, has been elected to the Federal Advisory Council to represent the 11th District.

The Boatmen's National Bank, St. Louis, has elected Andrew C. Gunter, Charles J. McMullin, and William Pagenstecher assistant trust officers.

Extra-Curricular Activities

ROBERT C. DOWNIE, president of the Peoples First National Bank and Trust Company, Pittsburgh, was voted Pittsburgh's 1950 "Man-of-the-Year" by the Junior Chamber of Commerce. The citation included mention of his leadership in the city's redevelopment program, his work in civic and charitable causes and industrial mobilization, and his outspoken opposition to wasteful Government spending.

President G. G. WARE of the First National Bank of Leesburg, Florida, has been initiated into Beta Gamma Sigma, national honorary commerce and business fraternity, at the University of Florida.

JAMES M. NICELY, vice-president of the First National Bank of New York City, has been elected a trustee of the University of Chicago, from which he was graduated in 1920.

HAROLD H. HELM, president of Chemical Bank & Trust Company, New York, is a new director of the West Kentucky Coal Company.

EDWARD F. GEE, vice-president of State-Planters Bank and Trust Company, Richmond, was appointed to the City Planning Commission. He is an alumnus of The Graduate School of Banking.

WARNER EDMONDS, president of the First National Trust and Savings Bank of Santa Barbara, California, was named the city's "Man of the Year" for 1950 by the Advertising and Merchandising Club. The honor was in recognition of his "many years of all-around community service above the line of regular duty."

MERLE E. ROBERTSON, president of the Liberty National Bank and Trust Company, Louisville, was elected president of the Louisville Chamber of Commerce. He is a past president of the Kentucky Bankers Association, a former member of the A.B.A. Executive Council, and has served on numerous committees of the American Bankers Association and the Association of Reserve City Bankers.

JOHN K. THOMPSON, president of Cleveland's Union Bank of Commerce, was elected vice-president of the Community Fund. (END)

J. K. Thompson







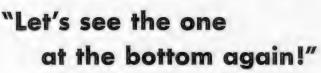


Right next door, in Canada, there's a market already buying over a billion dollars worth of U.S. products a year. Naturally a market of this size requires careful study. If your customers are interested in Canada, we can supply you with facts and figures they will require. For our Monthly Review, our brochures on "American Oil Interests Entering Canada" and "Canadian Taxes and Other Legislation," or any specific information you wish about Canada, write to our general offices in Toronto.

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Over 360 branches across Canada and abroad
New York Office: 49 Wall Street General Office: Toronto, Canada





With so limited a selection, it's easy to understand the little lady's indecision. It's not like trying to decide what business machine is best suited to handle which figure job in your bank. That, gentlemen, is no problem. When you need a calculating, adding or bookkeeping machine just be sure it's a Monroe. For whatever your accounting need, Monroe makes exactly the model to handle it. Quickly. Efficiently. Economically. Your nearest Monroe representative will gladly tell you why smoother-running "Velvet Touch" Monroes mean increased figure production, reduced overhead, more satisfied employees in your bank. Or write the Banking Department, Monroe Calculating Machine Company, Inc., Orange, N. J.



Monroe solves your figuring and accounting problems...a model to meet every need!



Monroe CALCULATING Machine
NEW MODEL CSA! The very latest type
fully automatic has just the features required for the economical handling of
all your general business figure work.



Monroe ADDING Machine
RHYTHM-ADDI Operators rave about the
effortless speed of Rhythm-add, give
credit to Monroe design, "Velvet Touch"
keyboard, and glareless cushion-top keys.



Monroe ACCOUNTING Machine
VERSATILE! A multi-purpose bookkeeper
that handles several kinds of jobs. Like
all Monroes, its "Velvet Touch" is one
reason aperators who know prefer Monroe.

""VELVET TOUCH" originated in 1935 to describe Monroe's matchless ease of operation.

Every Monroe is sold only through Monroe-owned branches; serviced by Monroe's factory-trained organization.

MONROE MACHINES FOR BUSINESS

Monroe Calculating Machine Company, Inc., General Offices, Orange, N. J.

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Methods and Ideas

(CONTINUED FROM PAGE 50)

this number 5,000 sat down to talk over their financial problems with members of the staff.

In a percentage of the booklets questionnaire cards were included, and a large majority of those responding strongly endorsed the budget-planning idea set forth in "Personal Planning."

"This was the test we made in anticipation of promoting the idea generally," reports Munro Brown, manager of the bank's public relations department. "We have now reached the point where the scheme is being publicized in a nationwide advertising campaign."

The ads are on the personal planning theme and offer copies of the booklet.

The A.B.C. of Service Charges

GIRARD TRUST COMPANY'S annual report for 1950, cast in the easy-to-read mold that won its two immediate predecessors "Oscar of Industry" awards, offers not only cartoons but a simple presentation of the banking story. The purpose of this Philadelphia bank is to bring to its stockholders, depositors and trust customers, in understandable form, the facts, figures and fundamentals of a bank's operations.

Take, for instance, President Geoffrey S. Smith's comment on service charges:

"Twenty years ago if a depositor carried \$1,000 in his account we were required to hold 10 percent as reserve and we could put \$900 into earning assets. In those days our average return on these assets was better than 5 percent, so that a deposit account of \$1,000 brought into the bank a gross return of about \$3.75 a month.

"Today in a \$1,000 account we must hold 18 percent as a reserve and, in addition, pay premiums for FDIC insurance. Our banking department can make use of only \$819 and with the average gross yield on all earning assets only a little better than 2 percent, the net return after loan and investment costs is approximately 1½ percent. The maximum return we can realize, therefore, on a \$1,000 deposit account would now be around \$1 a month, even if there

were no cost for maintaining or servicing it."

The bank goes on to say that 20 years ago it didn't have to charge for handling deposit accounts because the yield from earning assets covered costs; in fact, it could afford to pay up to 2 percent interest on checking account balances.

"Today, however, with costs of operation more than double and with the earning power of our assets cut to less than half, we are obliged to be cost conscious. This means service charges in those accounts—whether large or small—where the cost of handling is greater than the earnings that can possibly be realized on balances maintained."

Then the GIRARD shows how each customer can analyze, at least roughly, his own account:

"Assume a cost of 50 cents a month for maintaining it on the bank's books; assume that it costs our company 5 cents for the handling of each deposit ticket, each deposit item and each check drawn. Then assume that our company is able to earn \$1 a month for each \$1,000 of average balance—or 10 cents a month for each \$100 of average balance. If the total cost exceeds the total earning power, the account is being handled at a loss.

"For every service charge Girard makes we supply the customer with the figures of the cost analysis. Our experience has been that our customers are more than willing to pay for service rendered."

A Bank and Community Art

FIRST NATIONAL BANK of Santa Fe, New Mexico, lives in a town that numbers many artists among its residents. Furthering this important community interest, the bank

invites local artists to hang their work on its walls. There's no charge, of course; it's just a public service. The displays are changed periodically, reports Vice-president and Trust Officer Alexander V. Wasson, and the pictures are for sale. In fact, the bank has sold many of the paintings for the exhibitors without commission.

The FIRST also puts an attractive display window at the disposal of artistic members of the community. This space, called "Under the Portal," is offered to handcraftsmen for showing their products. Free newspaper and radio advertising is given the displays, which are changed every 10 days.

Another feature of this bank's community relations program is its sponsorship of a weekly radio program of great music, presented without advertising interruptions.

In Brief

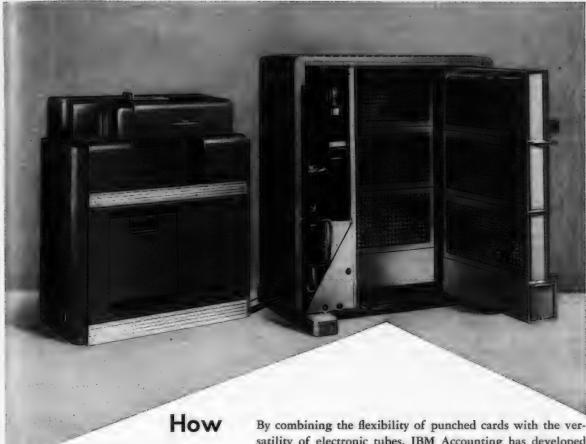
THE NORTHERN TRUST COMPANY of Chicago reports "excellent results" from a series of window displays exhibiting articles collected by its customers. The hobbies include old watches, snuff bottles, coins, stamps, mechanical banks, working models of machinery. The series is expected to continue throughout 1951.

A 16-page special section of the Fort Myers (Florida) News-Press featured completion of an extensive modernization and expansion program by the LEE COUNTY BANK.

The SOUTH CAROLINA NATIONAL BANK of Charleston, celebrating the 116th anniversary of the founding of its forebear, The Bank of Charleston, broadcast a series of five-minute talks on southern financial history.



A window display, at the bank, of religious objects made by early Spanish settlers. Exhibits of local historical interest are shown in this window each Christmas season



ELECTRONIC

Accounting is Working for Business

By combining the flexibility of punched cards with the versatility of electronic tubes, IBM Accounting has developed more speed . . . greater ability to do the complete accounting job. Now it turns out regular work faster . . . prepares reports, records, and analyses never before available . . . quickly and economically.

Experience has shown thousands of businessmen that IBM Punched Card Accounting is the best way to process accounting data... to produce the day-to-day records that business requires. IBM's combination of electronic accounting machines and punched cards brings the advantages of both to every industry, whether it be banking, brokerage, distribution, insurance, meat packing, petroleum, railroad, or any other.

One of IBM's electronic machines is the Electronic Calculating Punch, pictured above. The continuous practical application of electronics to quantity-produced IBM machines is resulting in reduced costs to business . . . better service and better products.



INTERNATIONAL BUSINESS MACHINES CORPORATION

590 Madison Avenue, New York 22, N. Y.

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Banker's Hobby Builds Public Relations

YNAMIC symmetry doesn't sound much like a subject that a banker would be interested in. However, there is at least one banker in the U. S. A. who recently came to the end of a long quest for a book on this subject. When William K. Durfee, president of The First National Bank of Athol, Massachusetts, arrived in Amherst recently to attend the agricultural conference of the Massachusetts Bankers Association he confided in a University of Massachusetts professor that he was searching for this book. Before the day was over, he had found it.

For 20 years Mr. Durfee has found painting in oils and water-colors an outlet for pent up tenseness at the end of his banking day. Besides displaying his paintings at the Athol Artists' Guild, which recently held its fourth annual exhibition, this past fall he had exhibits in two neighboring towns.

Banker Durfee at work on one of his New England landscapes

Mr. Durfee also frequently exhibits his paintings at civic, service, and church meetings in connection with talks before these groups. He feels that this is good public relations for his bank.

Frustrated in an effort to understand what some surrealist artists were trying to convey in their painting, Mr. Durfee went home one day and started a surrealist composition of his own, which he called "The Seven Stages of Man." He attempted to show that man's struggles are worth while. This picture was the

basis of a talk before the men's Bible class of the local Baptist Church and aroused so much interest that subsequently the pastor made it the theme of a sermon.

As a member of the Athol Rotary Swingsters Mr. Durfee plays the piano and guitar. Although this group, composed of a dentist, a florist, a factory superintendent, and a banker, plays at Rotarian meetings in the vicinity, its principal function is to entertain at the Rutland State Sanitarium and at the Veterans Hospital in Rutland.

A Bank at a Fair

Our bank utilized a booth at the local fair to bring banking to the people. To offset any hint of austerity, a human interest contrast in old and modern banking was deployed in the booth arrangement. Displayed in one corner background

was an old teller's cage enclosed in old-fashioned grill-work. Within the cage, one of the bank's original Boston ledgers was in prominent view, showing old hand-kept records, while at the window a mannikin—dressed in the style of 1900 com-

ORE CONTROL OF THE CO

The booth described by Miss Garnett, shown at left, with L. N. Shahan, Jr. (center), president of the bank, and J. Meredith Graham, Jr., executive vice-president and board chairman

plete with eye-shade—entered the customer's deposit in a passbook. Before the teller's window stood a lady (mannikin) resplendent in a costume of that era.

In sharp contrast, the rest of the booth was modern in every respect. Recessed ceiling lights shed a daylight glow over a modern teller's counter. On one end of the counter a modern teller-machine was used for acquainting the public with the bank's comparatively new method of issuing machine-printed receipts instead of the hand-kept passbook records.

Visitors registered for prizes—calendar banks and a \$100 savings account.

The registration for the week proved amazing—over 10,000. Supporting advertising—by radio and newspaper, with personal letters written to winners of the banks and savings account—helped assure the success of the enterprise.

FRANCES GARNETT
Head Teller

National City Bank, Rome, Georgia

THIS MAN IS a powerful ally

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rgia ING TO YOU and

the family life in your community

He knows that human interest is your interest. The citizens in your community want Christmas Club because the Christmas Club plan, as originated by Christmas Club, A Corporation, provides an easy way to accumulate money for Christmas. The staff representative of Christmas Club, A Corporation, can show you how to attract more of these citizens to your institution. He can show you how to put their saved Christmas Club dollars into profits for you and your customers.

The organization behind the Christmas Club staff representative motivates the public's thinking of thrift into activity toward financial security.

Won't you talk with this powerful ally and decide for yourself the merits of the services he offers. (No obligation to you, of course.) Financial institutions that use the services of Christmas Club, A Corporation, are institutions that grow.



Thristmas Thub A Corporation

FOUNDED BY HERBERT F. RAWLL

230 PARK AVENUE, NEW YORK 17, N. Y.



BUILDS SAVINGS . BUILDS CHARACTER . BUILDS BUSINESS FOR FINANCIAL INSTITUTIONS

World Business

(CONTINUED FROM PAGE 48)

change dealers to revalue its peso. While commonwealth raw-material producers are raking in the shekels. Britain has entered upon a more expensive new year. Raw materials and cost-of-living items are going up. Even the price of the Board of Trade's weekly journal has been raised. But none of this means that the dollar is getting stronger in the exchange markets. On the contrary. confidence in the dollar has weakened abroad as on the stock market.

NERVOUS CAPITAL

The outbreak of the Korean affair last summer set in motion hot-money movements here and there, as from the U.S. into Canada. Latterly, European capital has been reported moving into South American havens. Swiss, Belgian, and Dutch money seeking safety in Uruguav is credited with the rise in market quotations for that country's peso. Thanks to the atom bomb, the time has passed when the U.S.A. was regarded as the safest refuge for capital in wartime. No longer does the dollar move with gold in the Paris free market. At the end of 1950 French buyers were bidding up the price of the yellow metal. Gold is still "hard," but the dollar looks "softer" to canny French speculators and hoarders. For one thing, dollars have become more plentiful of late, while the franc is a bit firmer. To put it another way, the French apparently think an ounce of gold ought to bring more than \$35 and perhaps will, eventually.

THE WAY OF ALL MONEY

It is perhaps trite to refer to the matter at all, or to say that the way of the dollar is the way of all money. But this was brought home to us the other day while reading what a Yorkshire squire wrote 250 years ago, to wit: "The wages of a good husbandman in these parts. . . . I find to be no more than £3 a year and Sir Godfrey gives his keeper but £3.14s., and his bailiff £4, so that we are worse served for high wages. About Wortley all the husbandmen are up every morning with their beasts at three o'clock, and in our house they lie abed till near seven." While these annual wages were "plus

found." food was cheap. Chickens cost twopence apiece. Everyone in England ate well. Only those who received alms could "eat not flesh above once a week," being in this regard no worse off than their rationed descendents of more recent times.

"UMBRELLA AGREEMENTS"

The lowly umbrella has changed its habits since British Prime Minister Chamberlain carried one to Munich. The State Department has been announcing a series of what it calls "umbrella agreements" with other countries, setting forth the conditions of cooperation under the Point IV program. Also, the U.S. has presented to the Organization of American States a check in partial fulfilment of its Point IV promise. Point IV officials are reported as revising plans. The Council of Economic Advisers, referring to technical aid plans, stated in January that the common danger and greatly increased strain on our resources call for reappraising and if necessary altering the character and time focus of such programs, with emphasis on the production of materials we need. How this change will sit with countries whose mouths have been watering for some of the Point IV cash we can't exactly tell. The Advisory Board on International Development should have made its report by the time this is published. Meanwhile

there is talk of transferring the administration of Point IV to the ECA. which has already been out-Point-IV-ing the State Department.

INVESTMENTS ABROAD

The Commerce Department reports that American business investments abroad decreased by \$1,300,000,000 in 1949 to reach a record total of \$12,500,000,000. More than half of the increment was in the oil industry, for Middle East pipe-lines, Venezuelan refineries, foreign-flag tankers, etc. Manufacturing investment slackened in 1949, most of the activity being in Canada. Mining investments abroad showed "striking expansion," notably for developing new iron sources in Canada and Venezuela and other mines in Africa and the Western Hemisphere. The rate of American foreign investment must be disappointing to Sen. Brien McMahon of Connecticut, who last year proposed that we offer \$50billion during a five-year period for Point IV ends. The Senator would stake this money on Point IV, rather than on the Big Four.

As we go to press word comes that Mexico is embarrassed by the inflow of dollars. Banks have been ordered to turn over to the Bank of Mexico all increases in private dollar deposits. Finance Minister Beteta attributes the inflow to Korean events.

"Peril points" are what the Administration is worried about as Congress mulls over renewal of the trade agreements program, Former Secretary of State Cordell Hull's prescription for an ailing world. The perilpoint clause was inserted in the law during the Republican 80th Congress as a protection for industries threatened by tariff bargains offered by the State Department in international confabs; but the next Congress rubbed out the clause. Renewal of the act as a whole has the endorsement of the Chamber of Commerce.

Southeast Asia has been bucked up by London news that the Commonwealth report "will crystallize ideas for a great dollar development program to start in 1951." The Eastern Economist reports. The paper takes heart from the ECA's and Eximbank's recent dollar activities in Thailand, Indonesia, Indo-China, and

(CONTINUED ON PAGE 98)

An important commodity in current international trade—munitions—poses a security problem. Here, a French armored car crew in Saigon, Indochina, guards a shipment of U.S. planes and other munitions for French forces fighting Vietminh Reds



WIDE WORLD

Instantly ACCEPTED...

in over 1,800* Dining Cars



• Wherever your customers travel, they rely on you as a banker for the best possible service. When you sell them American Express Travelers Cheques, you sell them the most acceptable cheques with the best possible service.

American Express originated the Travelers Cheque in 1891. Through years of vigorous promotion and national advertising, these cheques have become the best known and by far the most widely accepted in the world.

Instantly Recognized in a Million Places

As a result, at a million places—service stations, restaurants, hotels; railroad, bus and air termi-

nals; shops and stores in the United States and all over the world—American Express Travelers Cheques are instantly recognized and accepted.



They Command a World of Service

In case of loss or theft, your customers can count on assistance at any of the 181 American Express offices in the United States and abroad or the cooperation of thousands of American Express correspondents everywhere. In time of need, a quick refund is given with the same degree of courtesy, the same spirit of friendliness your customers find at your bank.

*Total number of dining cars in the United States - 1,802. Source: Association of American Railroads' Statistical Summary, October, 1950.

AMERICAN EXPRESS TRAVELERS CHEQUES

THE MOST WIDELY ACCEPTED CHEQUES IN THE WORLD!

March 1951

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Burma. Aware that India's political attitude toward the Korean affair does not parallel ours, the paper is reassured to note that other Asian countries have received dollar blessings "without finding the slightest embarrassment in their foreign policy."

Famine-struck India's officials look to us for wheat, regardless of India's pro-Red-China activities in UN. Other countries grow wheat, too—Canada, Australia, not to mention Russia-but only here are they likely to get it for nothing. President Truman appears to feel that a levy of \$1 or so per capita to pay for grain for India will be good propaganda in Asia. India needs food before Point IV. In Asia, since time immemorial, famines and other calamities including wars have been characteristic. One need not be an advocate of "do nothing" to wonder whether there is any way to eliminate famine where population freely grows up to the limits of a country's resources. Perhaps it is the recognition of this which explains why the

wealthy classes in Asia raise no finger on behalf of suffering fellow countrymen but leave them to die unaided on roadside and curbstone.

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Japanese view with concern a diminution of U. S. aid funds unless occupation expenses are likewise cut. Our late enemies advise that "it will be a big handicap to have to bear enormous occupation expenses without appropriate aids to counterbalance them."

Eximbank has opened a \$20,800,000 credit for the Cerro de Pasco Copper Corporation for a zinc refinery in Peru.

Having carried coals to Newcastle and thus made the incredible a fact, ECA is now carrying rubber and rubber products to Southeast Asia, it announces in a small business circular marked "URGENT."

Grouping all foreign economic operations under a single Government agency is recommended by the Chamber of Commerce of the United States. In certain of its activities the proposed agency should come under the Office of Defense Mobilization, but in others it would be independent. The Chamber recommends that in times of peril aid should be confined to countries whose contributions are vital to the defense of the free world.

Russian-made autos and planes are being offered for sale in the Western world in exchange for goods or any kind of money, hard or soft. British experts are quoted as appraising the development as a propaganda move, since the prices asked are noneconomic.

North of the Border

THE Canadian Parliament reassembled at the end of January with a very heavy agenda of an emergency character—one that will lead it to defense measures quite similar to those of the United States. The government is seeking legislative authority for standby powers to impose, if necessary, price and material controls and to increase defense expenditures to as much as \$1.5-billion in the next year, about

THE KERR CHANGEPOINT STORY:

Styled for Beauty-Designed for Duty!







Kerr Changepoint Fountain Pens and Perpetual Calendars offer your customers the convenient, dependable service they want while conducting business in your bank. You'll like their attractive appearance, longer life and economy. All parts for Kerr Pens are renewable and calendars need be replaced only every 20 years.

Thousands of banks have standardized on Kerr Changepoint Fountain Pens—not only for check counters, but for every desk.

Other designs in Bronze, Chrome or Aluminum; Single or Double Face

Please Write for Illustrations and Prices

W. K. KERR PEN COMPANY, Tulsa 10, Oklahoma

twice as much as has been committed in the last 12 months. This is all part of a three-year program involving estimated total expenditures of about \$5-billion.

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Specifically, the program would raise from 19 to 40 the number of air squadrons; send 11 of them to Europe; raise manpower in the regular forces from 63,000 to 115,000, post an army brigade group of about 6,000 men and a 3-squadron wing of fighter planes to Europe this year; increase radar equipment, manned and located to provide radar defense integrated with a corresponding United States chain of stations, connected by the necessary communication system and backed by fighters; convert industry to a position to produce large numbers of the latest types of aircraft needed by the forces of Canada and others.

Opposition Slight

No great opposition to the government's policies has yet been encountered, and none is anticipated, except on that of voluntary service for the defense forces. The Prime Minister announced soon after parliamentary proceedings resumed that no form of compulsory or selective service was necessary at this juncture, although he added that a change for the worse in world conditions might require reconsideration of this view. He found support for this policy in one of General Eisenhower's statements that Western Europe's greatest need at present is for military equipment. Canada has already offered European members of the Atlantic Pact \$300,-000,000 in armament. So far she has equipped one division of Dutch Troops from her military stores carried over from World War II and expects shortly to repeat this free shipment. Replacement for the Canadian forces will be by purchase of American equipment. In fact, Canada is to rearm generally according to American standards and thus discard British types of equipment which she has used ever since she had military units of her own. Indeed, her forces to be assigned to the European theatre may be attached to American formations, though retaining their own distinctive regimental names and colors.

Opposition to the Government's policy of voluntary service has developed from some influential quarters, such as the Canadian Legion

of Veterans and a considerable section of the press. The government, too, has been under great pressure by organized labor to put price controls into operation, without wage controls. Price and wage controls are, however, regarded as a very last resort in Ottawa. There, it is hoped that Canada can avoid the maze of price and wage controls by voluntary measures over a more compact industrial system than that of the United States.

In Canada three-quarters or more of industry is concentrated in two provinces — Quebec and Ontario — and it is, therefore, more susceptible to persuasion than its American counterpart. But it has already been found necessary in Canada to ration supplies of steel and nickel, and this form of control may soon be necessary for all other metals. In fact, rigid official controls of all metals may be instituted in the next few months, in much the same form as are now being planned in Washington.

Foreign Goods Needed

While Canada has created an industrial system capable of producing two-thirds more goods than it could 10 years ago, she, like every other nation, is not self-sufficient. She needs, and will continue to need, materials from foreign sources. She still has to depend upon the United States for most of her cotton and oil, as well as for about one-quarter of her steel, mostly special products not yet made here. Canada also has to import from the United States not only several of the components for her automobiles but, also, a variety of the things that go into radios and household appliances. In 1950 Canada imported from the United States over \$2-billion of materials and goods, and at least 20 percent of her goods is of American

However, new Canadian sources of supply, both for domestic and Ameri-

Some people who think they are dreamers are just sleepers.

The man who marries in haste isn't likely to have any leisure in which to repent.

It's easy to save. All you need to do is make money faster than your family can spend it.

can purposes, are being developed. Oil well drilling in Western Canada continues on a large scale and the 2,000 productive wells now supplying adjacent refineries and the 1,100mile pipeline to Superior, Wisconsin, may soon be expected to have an average flow of 150,000 barrels per day, an increase of 50 percent. The new cellulose plant at Prince Rupert, B.C., is now in production, adding about 15 percent to the North American supply of sulphite pulp, a basic material for explosives, as well as for rayon fabrics. Three more American steel companies and the Steel Company of Canada, the largest in the Dominion, have joined in the exploitation of the Steep Rock iron field in the Canadian area of the Lake Superior region. With the assurance that this and the Quebec-Labrador fields are immense sources of highgrade iron, Canadian interests have drawn up plans to increase the country's steel making capacity by 25 percent in two years' time. Exploration and development of additional sources of other base metals-copper, nickel, lead and zinchave been stimulated by the rearmament programs of the democracies, and several quite important new mines should be in production during the next year or so.

As in U. S.

Currently, Canadian economic conditions are quite similar to those in the United States. Industrial and trade conditions have become rather spotty in many areas. Shortages of materials are spreading to the small manufacturers who have no priorities. These shortages are being felt in textiles, as well as in metals. Labor lay-offs have been fairly extensive at several industrial points. Trade has tightened up, notably in rural sections affected by serious crop damage last year and by prevailing low prices for roots, as well as for the large quantity of poor quality grain harvested in the West last year. Collections are reported as slow in numerous locations, urban and rural, and West and East.

Armament orders have, however, spread out both in volume and variety. But the work actually in process does not require more than 6 to 7 percent of the total national production. By mid-summer this proportion is expected to rise to about 10 percent, and possibly a year hence to 20 per cent. (END)

YES...WE HAVE NO INCENTIVE

It has often been hinted by executives in other fields that we DeLuxe people run our sales staff like amateurs. We have no quotas, no commissions, no bonuses, no campaigns, no prizes... and therefore, according to the experts, we should get no effort.

From time to time we are "given the business" by organizations that specialize in pepping things up, and they more or less drool as they contemplate what they could do for us because to them we represent the ideal prospect for the well-known shot in the arm. Well, we are not buying it because we like our slow-moving, unbrilliant selling technique.

While this no doubt will embarrass our representatives, we know they really work hard and, though as individuals they might be classed as the "low pressure" type, we have had plenty of evidence that, as a team, they pack a punch that is effective and constructive. Risking the razzing we will get for this advertisement, we unhesitatingly exercise the prerogative of a copy writer who has in the past thrown bouquets at our production people, by now handing an orchid to a sales staff that is doing a perfectly swell job with no eyes on the "cent" in incentive.

It seems to us that the distinction between sales incentive or lack of it lies in the overall objective of the company. If this objective is simply to make sales, then unquestionably the monetary incentive is needed to do the trick. On the other hand, if the objective is to build business, then such stimulated sales pressure might create an out-of-balance condition not good for the company or its customers.



Manufacturing Plants at:

NEW YORK, PAOLI, CLEVELAND, CHICAGO, KANSAS CITY, ST. PAUL

COLOMBIA

Land of American Opportunity

In the years ahead, few countries in South America will offer U. S. business such broad and vital trade opportunities as Colombia. All signs point to a substantial increase in Colombian travel — export and import trade — development of new industries or expansion of existing local industries.

Progressive U. S. banks and business organizations know these facts — are establishing correspondent relations in Latin America, notably in Colombia. In increasing numbers they are taking advantage of the exceptional and complete banking facilities provided by this 38-year-old institution.

With 25 offices, located in all important commercial centers, trade information is quickly gathered and forwarded to you. Special departments are available to handle your collections and letters of credit.

Inquiries cordially invited.

BANCO COMERCIAL ANTIQUEÑO

Established 1912

Cable address for all offices — Bancoquia

Capital paid-up \$15,000,000. — Pesos Colombian \$13,000,000. — Pesos Colombian

General Manager: Antonio Derka

Head Office: MEDELLIN, COLOMBIA, SOUTH AMERICA

BRANCHES: Armenia (C). Barrancabermeja, Barranquilla, BOGOTA, Bucaramanga, Call, Cartagena, Cartago, Cúcuta, Girardot, Ibagué, Magangué, Manizales, Monteria, Neiva, Palmira, Pasto, Pereira, Puerto Berrio, San Gil, Santa Marta, Sincelejo, Socorro, Vélez.

New York Representative-Henry Ludeke, 40 Exchange Place, New York 5, N. Y.

Dairy Cattle Loans

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purchase of good livestock for good farmers. The ordinary dairy loan is for the purchase of only part of a herd at any one time. Such loans can be paid easily out of farm income within a period of one, two, or three years, without interfering with the normal farm operations.

Some bankers feel that the loan limitation of 10 percent of the bank's capital and surplus applicable to an individual works a hardship on dairy farmers, since dairy cattle are specifically exempt from the benefits of 1570B of the U.S. Revised Statutes which enable a national bank to loan to a farmer up to 25 percent of the bank's capital and surplus, when properly secured, on cattle, sheep or hogs being fattened for/or shipped to market.

Average Loan Limit

The average loan limit of a typical country bank would probably be between \$10- and \$15-thousand. If the average farmer requires this much credit for dairy cattle purchases, undoubtedly he will find it difficult to repay his obligations out of normal farm income. The only instance in which this ruling might place some farmer under a hardship would result from the financing of the larger-sized farm operations by the small country bank. The average operating credit requirements of some of the larger dairy farmers often exceed the loan limits small banks are permitted to make to a single borrower, and this forces such farmers to look elsewhere for operating credit.

Financing Problems

From actual experience over a long period of time, in financing dairy cattle purchases, we find that many farmers who buy all of their dairy herd replacements rather than raise them are not sound credit risks. We encourage dairy farmers to raise at least a part of their own replacements. We have found from experience that this is the only way the typical dairy farmer can make any real profit out of milk production. We have found that this is the only way the average dairy farmer can afford to own high-producing cows that he cannot buy on a rising price level.

Normally there are not enough

good cows available to supply the replacement needs of farmers. This means that many farmers buy two, three, or four animals in order to locate one good milk producer.

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Cattle dealers sell whatever is available, and the quality of many cows is not discernible until they are milked for a while. Low-producing cows are often sold several times and passed from one farmer to another. This is one reason why we seldom accept for discount a note endorsed by a cattle dealer. We prefer to make all loans direct to the farmer. We believe in this manner our customers find it possible to get more value for their loan dollars.

Farmers who buy all of their herd replacements also, always seem to have more than their normal share of cattle diseases. We find from our experience that farmers who have a better breeding program of their own seem to be removed farther from this dairy-farming hazard. We find from experience also that farmers who raise most of their own herd replacements have higher-producing cows and make additional income as they also have cows for sale occasionally.

Factors Affecting Loan Policy

The size of the herd is important as the normal break-even point is too high to permit the small farmer to make reasonable loan reductions out of farm income.

The management ability of the farmer is very important as the potential income he receives from the cows he buys depends greatly on the care and attention the cows receive. The normal productive lifetime of a dairy cow can be extended by many years if the animal receives the right kind of care and attention.

Some bankers are of the opinion that if they loan a specified sum per cow and if the loan limit is not too high they can make sound loans for the purchase of livestock. We have found from our experience that it is impossible to make this type of farmlending program work satisfactorily.

Good Loans

Loans to an experienced dairy farmer for normal replacement purposes are good loans for a bank to make. They help the farmer to maintain a steady income. Such income can be applied to reduce the loan, which, if properly made, is self-liquidating and the type and kind of loan for a bank to make. (END)

are

YOUR loans

needlessly

endangered?

recent survey conducted by BANKING showed that more than 95% of all banks contacted require prospective borrowers to furnish data regarding their fire and other insurance coverages. But, only about 5% check as to whether there are bonds on borrowers' employees.

Yet, businesses strong enough to weather serious fires can be wiped out by a sizable embezzlement. And, today's inflation has made large embezzlements more frequent!

Don't expose your loans to such hazards. Why not make sure that your customers' employees are bonded? Suggest that your borrower call our agent in your community if he lacks this vital protection.

AMERICAN SURETY GROUP

AMERICAN SURETY COMPANY NEW YORK CASUALTY COMPANY SURETY FIRE INSURANCE COMPANY

100 Broadway, New York 5, N. Y.



FIDELITY . SURETY . CASUALTY . INLAND MARINE . ACCOUNTANTS LIABILITY

March 1951

Australian Bankers Stem Nationalization

A USTRALIAN bank employees took the initiative through a press, radio, house-to-house visit, pamphlet, sticker, and public speaking campaign to tell the public about the dangers of socialized banking, and, despite overwhelming odds in its favor, the Australian Socialist Government lost the first battles in its efforts to impose nationalization.

Writing in the November Public Relations Journal of the Public Relations Society of America, Graham Kingsford-Smith, Sydney public relations consultant in the campaign, tells how the Bank Employees Committee waged the campaign. Here are a few of the highlights, but only a few, of a campaign that extended into every home in every part of the nation:

During spare time, a handful of enthusiastic employees began to talk about the dangers of government bank monopoly, stressing mostly the danger to the Australian way of life. Apprehensively, management released more and more employees from regular duties to develop the campaign. At first the campaign was financed by weekly contributions by the employees; later financial aid was given by the banks.

In every town with one or more banks, a volunteer liaison officer was appointed. Trained members of the committee traveled widely to disseminate information to workers, who were induced to break precedent and join local political campaign committees. Speaker groups were formed and given short courses in public speaking and they were encouraged to ask awkward questions of opposition speakers. Some of the speakers were ultimately elected to Parliament.

Discussion groups of local businessmen and their employees were organized and instructed in carrying on word-of-mouth campaigns.

A radio and press campaign was waged throughout. Whenever possible local men spoke on radio programs and signed feature and editorial articles.

Two months before the election the Privy Council ruled that the Bank Nationalization Act was unconstitutional, but left loopholes. The committee publicized carefully collected statements of socialist leaders to the effect that if the government couldn't get control of the banks one way it would try another.

The election gave the combined anti-socialist parties a good majority of representatives, but through a last-minute change in the balloting system the socialists kept control of the Senate, where efforts to repeal the nationalization act have been vetoed. The employees' committee has been dissolved. (END)

given to getting the public into the shelters quickly and without panic or confusion, President George C. Johnson explained. Similar precautions have been taken in the bank's three branches.

Wardens and the uniformed bank guards on each floor are being drilled at frequent intervals on handling any emergency. A first-aid room has been set up in the basement. In case of attack, this will be manned immediately by the bank's medical staff. Employees are making practice runs at frequent intervals to acquaint themselves with the routes to shelter, and other procedures.

A simple but effective alarm system has been worked out by means of strident electric bells and this will be augmented by the bank's public address system if necessary. Until a warning signal is sounded within the bank itself, all business will be carried on as usual.

Freedom Resolution

The Society of Business Magazine Editors, at a Business Mobilization Dinner in Washington last January, adopted the following resolution:

Whereas it is now clear that we who believe in the freedom of mankind are involved in a great world struggle with those who do not, and

Whereas this struggle may be the last opportunity to prove that free labor led by free management can produce more than slave labor under dictators.

Therefore, be it resolved:

We, who enjoy individual freedom as independent editors of America's business magazines do hereby pledge ourselves as editors to arouse and support the kind of productive effort that will demonstrate the omnipotent power of the free spirit.

And be it further resolved that:

A copy of this resolution be delivered to the President of the United States, to the Director of Mobilization and to the Director of Production.

The resolution was signed by the Society's president, executive committee chairman, and secretary, who are, respectively, John W. McPherrin, editor, American Druggist; Paul Wooton, member of the editorial board, Chilton Publications; and Walter J. Murphy, editor, Chemical and Engineering News.

Bank Trains Staff in A-Bomb Safety Steps

THE 535 employees in the main office of The Dime Savings Bank of Brooklyn, New York, are being trained in safety measures to protect the public and themselves in case of an atomic bomb attack.

An "expanding economy" is the economic game in which the chips you bought become worth only half as much, so you need twice as many to stay in the game.

-JOSEPH M. DODGE

If an attack comes during business hours, all employees and bank customers in the five-story building will take refuge in 11 shelters in the basement and sub-basement under direction of 49 wardens appointed from the bank's personnel.

The shelters in the money vaults, safe deposit vaults and other basement areas are surrounded by at least 18 inches of concrete. All employees have been furnished diagrams of routes to be followed to the bomb shelters and have received instructions on handling money and other valuables in the event of a bombing. Special attention will be



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Through its branches, representatives and correspondents, the Chase maintains close contact with every commercially important part of the globe. As a result, correspondents of the Chase get quick, efficient, productive service wherever they require it, at home or abroad.

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Participation in local loans with correspondent banks

Dealers in State and Municipal Bonds

Execution of security orders

Analyses of investment portfolios

Safekeeping of securities

Full foreign services

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The Canadian Bank of Commerce, through nearly 600 branches, serves all Canada.

With almost 100 of these branches in the oil fields of Western Canada, we take a *special* interest in oil—an interest kept right up to date for the benefit of all who have business in this area.

Our services have proved their value to many U.S. oil men now in the field. They will prove equally useful to those extending their operations to Canada.

These facilities are at the disposal of American banks in behalf of their customers.



Your Lawrence man offers you this Inventory Survey



Next time inventory figures in a loan application, call in your Lawrence man. He's as near as your telephone.

From his experience with inventories in many lines, he can determine for you if a given business lends itself to field warehousing.

Why not call on his experience?

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Nationwide Field Warehousing

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72 WALL ST.

Offices In All Principal Cities

A Bank's Poultry Loans

(CONTINUED FROM PAGE 58)

select the right type of grower. I am convinced that broiler paper, when handled properly in a suitable territory, is one of our best risks.

Here are some factors that a bank should take into consideration when risking depositors' money on chicken paper:

(1) Chick: A good chick is the foundation of the grower's success. Be sure that the hatcheryman has a good baby chick to start with.

(2) Grower: Broiler-raising is not a part time job; growers need to be chicken-minded to raise good broilers. Find out whether the grower will devote his full time to raising broilers and whether he will submit to supervision from hatcherymen, feed men, and processors to obtain the best results.

(3) Feed: There are many good feeds and progress is being made in producing better broiler feed formulas. Make sure that the feed dealer, hatcheryman, or processor has a good feed which will produce a good broiler in the minimum time.

(4) Facilities: Check should be made to see that the grower does not over-expand. On the other hand, he must have proper facilities, such as equipment, housing, and labor so that he can properly care for the chickens at all times.

(5) Technical Supervision: The feed dealer, hatcheryman, or processor should use a technician trained in the detection and control of chicken diseases so that losses may be held to a minimum should disease

(6) Assets: Carefully select growers—choose those that own their own farms and that have some livestock and cash, or investments, to protect the dealer and the bank.

(7) Markets: Broilers need to be sold when they are ready, as holding usually results in losses to all concerned. Growers should have access to the best possible markets so that they can dispose of their broilers at the best price at the crucial time.

A secondary, though important phase of chicken production, is the fertilization it provides for the soil, thus increasing its productivity. This fertilization has made a great contribution to the farms in this area.

(END)



PRODUCTION "HEADQUARTERS"

.. for the Farm!



Farm production must be increased in the years ahead—with less manpower than ever before. And, the bulk of that burden must be borne by that vital 41 % of the farms in the United States (2,445,000 out of nearly 6,000,000) of 100 acres or more. Today this important group (the 41 %) produces 95 % of the wheat, 83 % of the beef, 91 % of the oats, 77 % of the pork, 78 % of the corn and 93 % of the mutton, lamb and wool. It's power that makes that possible, for 77 % of all the tractors in the country are found on this small percentage of farms.

And, the community "hub" of power farming is the

farm equipment dealer. Every year thousands of farmers make the neighborhood Oliver dealer's store their machinery headquarters. They come to him for new machines—better machines—to improve the efficiency of their operations, and for modern repair and maintenance service. What's more, the Oliver dealer is an implement specialist whose counsel saves time and money for the farmer. By serving his customers in these important ways, the Oliver dealer is making his business grow. The OLIVER Corporation, 400 West Madison Street, Chicago 6, Illinois.

OLIVER

"FINEST IN FARM MACHINERY"



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The Textile Industry

(CONTINUED FROM PAGE 52)

of wool and cotton become weaker and weaker. Some of the new textiles are by no means *ersatz*, but in many instances are superior to what grows on sheep or in the fields of southern states.

The United States Army has concluded successful experiments with an 18-ounce serge fabric consisting of 70 percent wool and 30 percent rayon. Probably half the summer

suits sold last year contained only 25 percent wool, the balance being composed of rayon, nylon, etc.

Another factor is that while in wool the United States is more or less dependent on overseas supplies, raw materials for such fibers as orlon, saran, dynel and vicara are in abundant domestic supply.

However, there are some raw material items for rayon production which are relatively scarce, including sulphur chemicals for viscose, and wood pulp and cotton linters for acetate output.

These shortages, however, are likely to be overcome as defense demand rises. During the last war, textile output was employed to the extent of 20 to 33 percent of total production for military needs, and this may occur again and remain an appreciable factor for the next two or three years.

Yet, civilian business generally is more profitable, and under conditions of high employment and fat pocketbooks demand will no doubt be large for all sorts of textile products. The industry's earning potential is satisfactory as well, supported by excellent plant and equipment.

Tax-wise, textile concerns are also in a good position. The new excess profits tax base years of 1946, 1947, and 1948 were prosperous ones before the recession of 1949 was encountered, which hit many mills severely. Thus, base earnings are relatively high and excess profits taxes, if any, will be low.

The export market for American textiles has shrunk a good deal since the end of the last war, as plants in formerly war-devastated countries have returned to normal production. Another factor is that production costs abroad are lower owing to lower wages, and competition has become somewhat difficult.

However, despite the vast increase of production in the United States, world output of the four chief textile fibers has risen only from 17.9-billion pounds in 1939 to 19.2-billion pounds in 1949. Of the total, rayon gained from 2.2-billion to 2.7-billion, cotton increased from 13.1-billion to 14.2-billion pounds, wool declined from 2.5-billion to 2.2-billion pounds and silk dropped from 0.135-billion to 0.037-billion pounds.

Textile prices have been rising in the United States, owing both to the generally inflationary tendencies of the times as well as shortages. During 1950, wool rose 59 percent, cotton 35 percent and viscose and acetate rayon prices 11 and 12 percent, respectively. Ceilings are not likely to do much harm either.

While usually subject to cyclical conditions, to whims of the fashion world, and to general economic conditions, the textile industry today seems in an excellent mechanical and financial condition to receive its share of available civilian and military business at satisfactory returns for the investor.

A consistent role... specializing in BONDS

For half a century this firm has played an undeviating role in the financial life of America—a role based on the steadfast policy of underwriting and distributing bonds, notes, debentures and railroad equipment trust certificates—exclusively

¶ In this specialized role, the nationwide Halsey, Stuart organization has consistently provided for the needs of worthy borrowers—states, municipalities, corporations, industries, utilities and railways—and for the investment requirements of conservative bond buyers.

¶ Halsey, Stuart's broad experience in this field makes for exceptional service to both issuers of and investors in bonds, whether their requirements are large or small. Send for our latest offering list, without cost or obligation.

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Railroad equipment trust certificates, because of their proved record of safety through three-quarters of a century, occupy an enviable position among all investments. In the past decade Halsey, Stuart, either alone or with associates, has purchased and offered the certificates of 50 American railroads aggregating \$782,531,000. We deal in and are prepared to provide quotations for the certificates of most American railroads.

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AND OTHER PRINCIPAL CITIES

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THE PHILADELPHIA NATIONAL BANK

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Government Bonds

(CONTINUED FROM PAGE 51)

understandable because they are largely intangible. At bottom they reduce to the facts that (a) the board is, and feels itself to be, a part of the government; (b) within the government, Treasury and Federal Reserve policies are so inextricable that sharp operating conflict between them would yield a government financially vulnerable to crisis and instability; and (c) in the resolution of conflicts into an opera-

tional program, the Treasury is almost invariably the stronger."

He then quotes a well known remark of a governor of a prominent central bank who was asked: "Do you feel your bank has the right to defy the Government?" and who replied: "Oh, yes. We value that right very highly and would never think of exercising it."

This all seems most applicable to the current discussion, and perhaps more than a straw to show which way the wind blows.

For about a day and a half after Mr. Snyder's announcement prices

of the longer Government issues were marked up pretty sharply. There was, however, no pool of uninvested funds waiting for the green light. Within relatively few days the gains had been lost and the market had settled back to about where it started.

It is clear that insurance companies are still potential sellers of Government issues on balance as their mortgage commitments become actualities. Commercial banks. needing cash for the higher reserve requirements and still increasing their loan portfolios, are in no position to acquire more Government securities. Sooner or later the loan and mortgage picture will changepossibly sooner for consumer loans and mortgages and later for business loans. Then a stronger market for Governments would be possible but to be kept in bounds by offerings from the Federal Reserve portfolio. For the present very little price change seems at all likely.

Actions Speak Louder

Whatever the outcome of the continued discussions of monetary policies may be, the actions of the Open Market Committee during January were definitely directed to maintenance of market stability.

There was no change whatever in the bids for the 1½ percent notes maturing in July, August, October, and November. The slightly longer notes due in 1954 and 1955 varied only in 64ths. The long ineligible 2½ percents of 72/67 were taken by the Open Market Committee whenever necessary. The rate on Trea-

(CONTINUED ON PAGE 110)

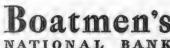


"I can always tell when my account is low by the way he hangs on to the money."



You'll like

the personal interest shown all your correspondent affairs by friendly





Over 100 Years of Service





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Air conditioning makes a public building an oasis that attracts throngs—speeds up traffic—makes business transactions a pleasure in hot weather. And Chrysler Airtemp offers the most economical means of cooling existing buildings—the versatile "Packaged" Air Conditioner.

More Chrysler Airtemp "Packaged" Air Conditioners are in use than any other make . . . and there's sound reason for this leadership. Chrysler Airtemp has brought new standards of DEPENDABILITY, ECONOMY and PERFORMANCE to the air conditioning field.

Actual records prove that these versatile units give exceptionally long, trouble-free service. Their famed sealed Radial Compressor "locks

out" damaging dust and moisture—lifetime oil supply permanently safeguards vital bearings and moving parts—direct drive eliminates belt and pulley maintenance.

Chrysler Airtemp units are noted for unusual operating economy due to their efficient use of electric power and water. Exclusive "Maxi-Fin" cooling coil, airfoil grille and high capacity cooling system assure maximum heat and humidity removal . . . provide more air conditioning for your money.

Five capacities (2-, 3-, 5-, 8- and 11-tons) meet virtually every cooling need. Ask your nearby Chrysler Airtemp dealer (he's in the Yellow Pages) about the advantages Chrysler Airtemp units offer. Or mail coupon for full details.

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sury bills rose gradually from week to week, closing the month at about a 1,39 percent discount basis.

Actually the market for bank eligible bonds and the earlier eligible tap issues, in neither of which the Open Market Committee has any present interest, was pretty consistently firm. To meet the higher reserve requirements member banks sold their short-term issues, while, judging by price changes, sales or ineligible issues, chiefly by insurance companies, were more than offset by purchases from other investment funds.

For the present, the problem of the Open Market Committee is how not to buy too much. From January 3 to 31, over \$900,000,000 was added to the Federal portfolio. Over half the amount was in Treasury bills; only \$118,000,000 in longer bonds.

More revealing is the fact that nearly \$800,000,000 consisted of issues callable or maturing in five years or less. This reflected the pressure of the increased reserve requirements on the money position of the member banks, but, in contrast to the total of \$1,925,000,000 needed to meet the higher reserve requirements, it is less than might have been anticipated.

In the final week of January, however, the member banks borrowed heavily from the Federal to the extent of over \$500,000,000 rather than sell more Government issues or perhaps be without enough Governments which could be sold without a loss. Apparently this was done in the hope that during February their money positions would be sufficiently eased to permit the repayment of these borrowings. The loans were considerably reduced in the following week.

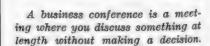
Series E Extension

No holder of Series E Savings Bonds, which commence to mature during May, will have to do anything about his bonds in order to have them continue to gain in value for an additional 10 years.

The final decision of the Treasury continues interest accrual at the rate of \$1.25 per \$100 of bonds for each six months for the first 7½ years, and at a sufficiently greater rate for the following 2½ years to reach a maturity value of \$133.33, thus maintaining the 2.90 percent basis for the second 10-year period.

About \$1,000,000,000 mature this vear and nearly \$20,000,000,000 in the next four years. Whatever the course of international or economic developments may be, continuance of widespread ownership of the national debt is a most essential part of future Treasury financing. To add any substantial part of \$21,000,000,-000 to the already high total of refunding which will have to be done by the Treasury before the end of 1955-to say nothing of the decided probability of new cash deficit financing-would almost certainly result in forcing the Treasury to look to the banking system for funds not obtainable elsewhere. As matters stand now, it will be difficult enough to hold such bank participation within bounds without the added weight of demands for cash on the part of the holders of maturing Series E Savings Bonds.

The extension plan has the great advantage of simplicity. No holder has to do anything. Automatically his accrual continues. (END)





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Combined Statement

FLORIDA NATIONAL GROUP OF BANKS

December 30, 1950

RESOURCES

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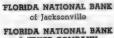
Loans and Discounts.	\$ 90,459,480.85
Banking House, Furniture & Fixtures Including Office Buildings	5,147,136.57
Other Real Estate Owned	55,786.03
Prepaid Expenses	85,769.49
Other Resources	3,774.52
Customers Liability A/C Letters of Credit	245,573.79
Accrued Interest and Income Receivable \$ 1,249,912.06	
U. S. Government Securities 174,622,866.78	
Florida County and Municipal Bonds 20,880,499.25	
Federal Reserve Bank Stock	
Other Securities	
Cash on Hand and Due From Banks 105,544,114.36	304,064,221.37
	\$400,061,742.62

LIABILITIES

Capital Stock \$ Surplus Undivided Profits	17,810,000.00	\$ 26,525,497.22
Reserve for Contingencies. Reserve for Taxes, Interest, Etc		1,383,217.16 1,056,137.93 95,000.00 256,315.91

FLORIDA NATIONAL GROUP of BANKS

at Fort Pierce



& TRUST COMPANY at Miami

FLORIDA BANK & TRUST COMPANY at Daytona Beach

FLORIDA BANK at Chipley

FLORIDA BANK at Bushnell

FLORIDA BANK at Orlando

FLORIDA NATIONAL BANK at Pensacola

FLORIDA NATIONAL BANK

at Ocala

FLORIDA NATIONAL BANK at Belle Glade

at Port St. Joe

FLORIDA NATIONAL BANK at Key West

FLORIDA NATIONAL BANK at Bartow

FLORIDA NATIONAL BANK at Coral Gables

FLORIDA BANK FLORIDA BANK FLORIDA BANK at Starke

FLORIDA NATIONAL BANK at St. Petersburg

FLORIDA BANK at Madison

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at DeLand FLORIDA BANK &

TRUST COMPANY at West Palm Beach

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of Bank Records in

Wartime

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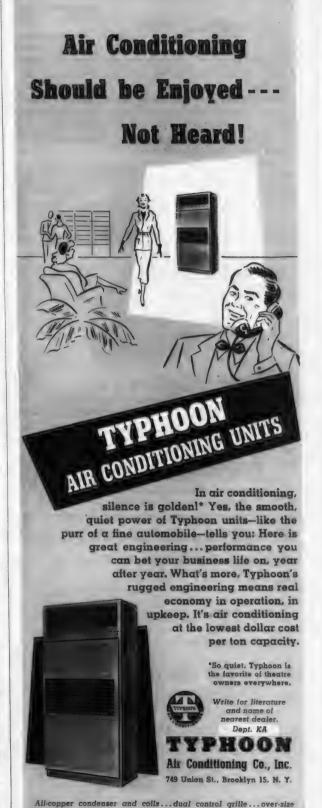
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components... sloping coil design for superior dehumidifying action.

March 1951

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Washington

(CONTINUED FROM PAGE 46)

standing for complete balancing of the budget, while at the same time yielding to the practicalities of the situation.

Barring total war or a serious new military crisis, there is hardly any prospect that Congress will approve a \$10-billion tax increase promptly. It will take months. It may be doubted that the final bill actually will boost the total tax take by as much as \$10-billion. Any chance of an additional or further \$6.5-billion

above the \$10-billion being enacted this year, at this stage is in the realm of romancing.

On a second front—curtailment of civilian expenditures to the lowest amount possible—the President indicated another paradoxical inconsistency. While stating that nondefense spending should be pared to the lowest practicable amount, the President then proposed in his budget message practically his entire "Fair Deal" repertoire of unenacted social plans, such as Federal aid to local education, the Brannan plan, and a start on compulsory health insurance.

Economy Hopes Aren't High in Congress

This action of the President, however, is viewed as having a greater significance in its bearing upon public feeling generally than for its significance on legislation. It may be doubted that the "Fair Deal" will make any substantial progress this year. Certainly the Brannan plan, compulsory health insurance, and Federal aid to education will fail of enactment.

From the standpoint of practical operating politics, it was anticipated that the President would "make a record" in favor of the "Fair Deal" during the course of his messages to Congress. He chose the budget message as the place in which he would re-register his devotion to his social measures. It is not that the President has personally abandoned these objectives. But he knows the impracticality of getting them enacted by a preponderantly conservative Congress preoccupied with war measures.

While the President "made a record" for his "Fair Deal," he undoubtedly raised apprehensions among many who are not steeped in political lore, as to the seriousness with which he means that expenditures should be reduced drastically where not necessary to the war.

So lop off about \$1-billion from the budget for "Fair Deal" schemes which are unlikely to become enacted, and the deficit theoretically would thereby be reduced to \$15.5billion.

Congressmen find it difficult to say whether the proposed 1952 budget is in fact a "tight budget" in the sense of actually proposing reductions in nondefense spending where possible. Whether the President has "economized" as much as possible is a matter of subjective judgment and difficult of statistical proof.

One factor is that each year the Congress has been adding to the sum of regular, recurring social obligations such as for local hospitals, public housing, care of veterans, and numerous other things. The President did not propose to abandon any of these important programs, but he did hold some of them down.

Economy Guess: A Net \$2-Billion

Informed congressional evaluation of the President's supposed economy



You can't keep your ROOF GUTTERS clean with a debenture, a draft or a demand...

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RAIN-L-FLO GUTTER TUBE

A patented fine mesh bronze screen tube, 3-inch diameter, with internal brass coil support. Sold in 5-foot lengths to place in bottom of gutters providing permanent open passage for the free flow of water.

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efforts is that privately, after studying the budget, most key legislators devoted to the cause of economy see little prospect of cutting nondefense expenditures more than \$3-billion. This \$3-billion includes the killing of the \$1-billion of "Fair Deal" proposals aforementioned. This leaves a net, practical reduction in fact of \$2-billion. This is the same sum Congress is credited with "saving" out of the current or 1951 budget.

Since Congress had a much higher total of nondefense spending upon which to operate with the 1951 budget, a cut of \$2-billion, if practically achieved, would be-in the light of all practical conditions-

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On the other hand, the January or first budget estimate seldom is "high," especially in a period of war. Many contingencies usually arise later. It is more than likely that war expenditures of all kinds will rise above the \$48.8-billion estimated. Thus, when and if troops are sent to Europe, the total military establishment inevitably will be expanded beyond the present target of 3,500,000 personnel-with a resulting increase in prospective expenditures.

There are other contingencies. Thus, faced with congressional reluctance to hold down farm prices, a food subsidy program at Federal expense is likely, and was even under discussion at this writing. Under such a program the Federal Government would pay part of the cost price of certain foods-and the total of expenditures would rise as a result.

So all in all, it appears unlikely that Federal expenditures for fiscal 1952 will turn out to be any less than the \$71.6-billion estimated, and they may be a great deal more.

Control of Wages Will Be "Soft"

Preliminary indications were that on the wage front the control would be "soft," and in practical fact far from the "freeze" used officially to describe the first wage control step.

One of the first indications of the greased nature of the "hold" on wage rises was the acceptance of the entire round of wage increases of the last few months, even though the President himself, in surprising frankness, admitted that manufacturing workers had achieved a 10 percent rise in real wages in 1950. Then, too, officials let stand last-

minute increases for soft and hard coal miners, and resultant boosts in the prices on coal.

Mr. Truman himself, in his Economic Report message to Congress, established clearly his belief that wage controls should be treated differently, and presumably more gently, than price controls.

Preliminary indications since then of actual control action indicated that wage "stabilization" does not mean the end of wage increases, but perhaps a retarding of automatic wage boosts under long-time union contracts or the effectuating of later wage increases, until such have been first approved by the Wage Stabilization Board.

With respect to both wages and prices, it would appear that they are designed more to restrain or delay the upward movement of prices than to achieve an across-the-board "freeze," although the use of the word "freeze" was encouraged by officials.

Lay Careful Groundwork for **Voluntary Credit Control**

Under the leadership of Oliver Powell, member of the Federal Reserve Board designated to handle this problem, and a prominent group of commercial bankers, investment bankers, and insurance company executives, careful groundwork was being laid for voluntary credit

Dr. Arthur S. Flemming (below), president of Ohio Wesleyan University, heads the nation's manpower program, under Defense Mobilization Director Wilson



agreements provided for under the Defense Production Act of 1950.

The underlying purpose of the program is that financial institutions will extend credit in such a way as to strengthen the national economy by restraining inflationary tendencies, at the same time furthering the financial needs of the defense program, agriculture, and industry.

It is pointed out that, under present labor and materials conditions, loans to increase output will have an inflationary effect. However, such loans may not be ultimately inflationary if they increase productive capacity of an essential nature.

Such a plan entails screening of loans as to purpose as well as to credit worthiness. The key question regarding any loan is: Does it increase or maintain, proportionately, production, processing and distribution of essential goods and services?

The types of loans that would be considered proper under this program would be those for defense production, directly or indirectly; those favorable to agricultural and other staple products, and to goods and services considered essential to the country's day-to-day performance: those to augment working capital where higher wages and prices threaten continuance of essential production, processing, or distribution; and those to assist in the handling of securities involved in money-raising for essential purposes.

Loans for speculative and nonessential purposes and those concerned with financial transactions of an unproductive nature—to acquire corporate equities, for examplewould not fall in any of these desirable categories.

Previous commitments would not be restricted under the plan, it is pointed out.

At the time of going to press, it was understood that the Attorney-General had approved the plan with minor exceptions.

Banking Committee Realignment

One feature of the reorganization of the 82nd Congress as a result of last November's election was to give a decidedly more conservative look to the membership of those two committees than in the 81st Congress.

This was due in part to the fact that conservatives gained a larger

proportion of the membership of both houses than in the 81st. Thus, the ratio of Republicans to Democrats on the Senate committee is now 6 to 7, versus 5 to 8 in the previous Congress. And in the House, Republicans get 12 of the Banking committee's seats to 15 for the Democrats, versus 11 to 16 in the 81st Congress.

Part of this conservative swing was also due to committee shifts. Senator Charles W. Tobey of New Hampshire, the ranking Republican member of the Senate Banking Committee, resigned from that committee to accept membership on the Foreign Relations Committee. Senator Tobey backed public housing and many other so-called "liberal" proposals. He was also an enthusiastic supporter of bank holding company legislation. Senator Ralph E. Flanders of Vermont, another Republican, shifted to the Armed Services Committee. He had frequently backed "liberal" proposals as a member of the Banking committee.

The new ranking Republican member of the Senate committee is Senator Homer E. Capehart of Indiana. a former manufacturer who worked his way up in the business world in true Horatio Alger style, and who is a thoroughgoing conservative, as are also Senators John W. Bricker of Ohio, Andrew F. Schoeppel of Kansas, Everett M. Dirksen of Illinois, and Wallace F. Bennett of Utah, other GOP members of the committee. Schoeppel, Dirksen, and Bennett are new additions to the committee. Mr. Bennett is a former president of the National Association of Manufacturers.

Together with Democrats, Senators W. Willis Robertson of Virginia, and J. William Fulbright of Arkansas, and Republican Senator Irving Ives of New York, the committee is probably inclined slightly to the conservative side.

In the House three Republicans left the committee and Congress for one reason or another, and all were consistent conservatives. They were former Representatives Frederic C. Smith of Ohio, John Kunkel of Pennsylvania, and Rolla G. McMillen of Illinois. However, the committee gained four Republicans, all rated as conservative. They are Gordon L. McDonough of California, William E. Widnall of New Jersey, Howard Buffett of Nebraska, and Jackson Betts of Ohio.

On the Democratic side of the House Banking Committee, separations included former Representatives A. S. "Mike" Monroney of Oklahoma, Chase Going Woodhouse of Connecticut, and Barratt O'Hara of Illinois, all somewhat "Fair Dealish." Representative Brooks Hays (D., Ark.), conservative, transferred

(CONTINUED ON PAGE 118)

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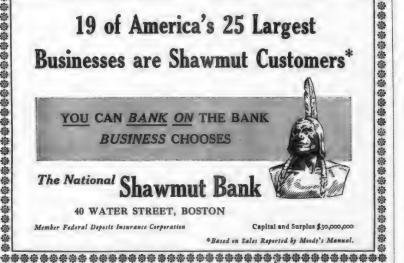
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"I remember when we were in school you used to love to do my arithmetic!"

"The bonds we bought for our country's defense are helping our boy become a doctor!"

HOW U. S. SAVINGS BONDS ARE PAYING OFF FOR JOHN AND HELEN DALY OF STOCKTON, CALIFORNIA

John and Helen Daly are proud
of their son, James. "Jim always
wanted to be a doctor," says Helen,
"and now he's getting his
chance to study medicine,
thanks to our U. S. Savings
Bonds and the wonderful
Payroll Savings Plan!"





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"Jimmy was only 13 when John and I decided to make U. S. Savings Bonds a part of our plan for his future. I signed up then for the Payroll Savings Plan in the Stockton Naval Supply Annex where I work."



"We've saved \$3,550, now. John has his phonograph business so I'm able to put more than 25% of my salary into Payroll Savings. I buy a \$100 bond each month which goes toward paying for Jim's education."



"Jim's at the University of Santa Clare now, taking pre-medical work. Bonds are paying his tuition, and we're still buying them toward that M.D. for him. The Savings Bond method is wonderful for parents!"

The Dalys'story can be your story, too!

Whatever your dream, you can make it come true just as the Dalys did. But you've got to start right now! That's easier than you think if you take these simple steps:

- 1. Make the big decision—to put saving first before you even draw your pay.
- 2. Decide to save a regular amount systematically, week after week or month after month. Even small sums saved on a systematic basis become a large sum in an amazingly short time!
- 3. Start saving automatically by signing up

today in the Payroll Savings Plan where you work or the Bond-A-Month Plan where you bank. You may save as little as \$1.25 a week or as much as \$375 a month. If you can set aside just \$7.50 weekly, in 10 years you'll have bonds and interest worth \$4,329.02 cash!

You'll be providing security not only for yourself and your family but for the blessed free way of life that's so important to us all. And in far less time than you think, you'll discover that you have turned your dreams into reality, just as the Daly family did.



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Take a Break

UNDER the heading, "Coffee Hour Attacked," The New York Times printed the following Associated Press story about one social aspect of life in the nation's Capital:

Representative George H. Bender, Republican of Ohio, says Government employes in Washington spend too much time away from their desks drinking coffee.

He told a reporter today he felt the time-honored custom of taking a break for coffee is carried too far here.

"This is the coffee-hour town of the world," he said. "Every public building is equipped to encourage that kind of thing."

Mr. Bender said "there are altogether too many Government employes in Washington." He said the number "could be cut in half—and a much better job would be done."

There are about 225,000 Federal employes in the Capital.

(CONTINUED FROM PAGE 116)
to another committee. The only
known strong "Fair Dealer" to replace these three was John C.
Kluczynski of Illinois. The presumption is that two Democrats from Virginia, just placed on the committee,
have conservative leanings. They
are Representatives Clarence Burton

and Thomas B. Fugate.

Mrs. Woodhouse, who was defeated for re-election, was one of the most outspoken opponents of the FDIC assessment credit bill passed last year. Former Representative Monroney was elected to the Senate, but did not become a member of that body's Banking committee.

RFC Management Sharply Criticized

That one day public lending would create temptations to its abuse as suggested by the Hoover Commission, was noted by the RFC subcommittee, headed by Senator J. William Fulbright (D., Ark.) of the Senate Banking Committee.

"The Hoover Commission warned of these things," said the subcommittee report, quoting the Commission as follows:

"'Direct lending by the Government to persons or enterprises opens up dangerous possibilities of waste and favoritism to individuals or enterprises. It invites political and private pressure, or even corruption.'"

The Fulbright subcommittee issued a series of three reports dealing with the ways it said the RFC Board "improperly abused" its au-

thority by yielding "to improper influences."

At the same time the majority of the subcommittee began to push its proposed remedy for this situation. This remedy is for the abolition of the present board and the vesting of the management of the RFC in a single official, to be called "Governor of the RFC." Sixty days after this proposed law went into effect, the positions as member of the RFC Board would be abolished.

Senator Fulbright also proposed other reforms in RFC management. For instance, he would do away with the institution's capital and require it to operate on appropriated funds. He would require that the reasons why a loan was approved to be stated in writing so that Congress could better appraise the agency's operations. (END)



"Remember the good ol' days when you could get me to leave for a quarter?"

Iowa and Illinois Endorse Brenton

W HAROLD BRENTON, president, • Brenton State Bank, Dallas Center, Iowa, is being actively supported for the vice-presidency of the American Bankers Association by an Iowa Statewide Committee, consisting of leading bankers in Mr. Brenton's home state. He was endorsed by the Iowa State Bankers Association conventions of both 1949 and 1950.

In a leaflet prepared by the Iowa Bankers Association, Mr. Brenton's banking career is outlined. Born in Dallas Center in 1899, he received his A.B. degree in agriculture at Iowa State College in 1920, and immediately entered the banking business in his home town. In 1929 he became vice-president of the Iowa-Des Moines National Bank, Des Moines, and from 1931 to 1934 was its president. Since the latter date he has been a director.

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Later he became active in Minneapolis banking, and until 1941 was vice-president and treasurer of the Northwest Bancorporation. Returning to Iowa, he undertook the presidency of 11 Iowa "Brenton Banks," the first of which was opened in Dallas Center in 1873.

Mr. Brenton was elected president of the Iowa Bankers Association in 1946, and served two terms as vice-president for Iowa in the American Bankers Association, in which he recently completed a term as a member of the Executive Council. He is now a member of the A.B.A. Commerce and Marine Commission.

Mr. Brenton is a director or trustee of several companies and organ-

LOANS

"How much is the down payment on a \$50 loan?"

izations, including Swift and Company, National Committee for Economic Development, Grinnell College, Iowa Methodist Hospital, Iowa Economic Council, and the Good Government Association of Des Moines.

He was in the Navy in World War I.

The IBA leaflet says: "Harold Brenton has so many banking, business, manufacturing, farming, legislative and personal qualifications that when all viewed together, they show him to be one who is eminently qualified to follow the long line of strong and able men who have consistently served the American Bankers Association."

The Illinois members of the A.B.A. recently reaffirmed their 1950 endorsement of Mr. Brenton's vice-presidential candidacy.

Why Suffer Loss Pains



Owners, mortgagees, trust officers, and others responsible for safeguarding property need not fear loss pains if they are protected with property insurance in the proper amounts. If you have an insurance problem that is causing twinges now, why not consult us. But don't procrastinate-tomorrow may be too late.

THE PHOENIX-CONNECTICUT GROUP OF FIRE INSURANCE COMPANIES, HARTFORD, CONN.

Combined Statement December 31, 1949

Assets											\$218,195,440
Liabilities		•									63,268,050
Surplus to	po	licy	hole	ders							64,569,075
Losses pai	id to	o I)ece	mber	31.	194	19				462,311,853

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Bank Reports Discuss Emergency

THE 1950 crop of bank reports provides a rich yield of bankers' opinion on national affairs, particularly the need for maintenance of a sound economy during the gigantic rearmament.

From the pamphlets that have come to its desk Banking has culled the comment of several prominent bank executives on such vital questions as inflation, taxes, controls, deficit financing, and non-defense spending. Their views, it is suggested, are a valuable contribution to the discussion of the economics of the national emergency.

Curtail Nonmilitary Spending

S. Sloan Colt, president of Bankers Trust Company, New York, had this to say about national fiscal policy:

"The first step in the financing program of the Treasury to meet the emergency should have been a drastic reduction in nonmilitary expenditures and the elimination of waste and inefficiency in government. Thus far, the reluctance to cut established programs has prevented real progress along this line. However, the President has directed that nonmilitary expenditures be reduced to the minimum required to give effective support to the defense effort. Several billion dollars can be saved if a genuine effort is made to cut unnecessary Government spending and to put the affairs of Government on an emergency basis. . . .

"To be of any real effect in combating inflation, a tax program must curtail consumer spending, tap all types and levels of income, and exercise the least possible restraint on the expansion of industrial production and efficiency. Higher personal income taxes and excise taxes are most effective for this program. Increases in regular corporation taxes are less effective, while excess profits taxes actually stimulate inflation encouraging wage increases and business spending generally, by penalizing new and growing companies, and by discouraging business management from trying to increase efficiency and hold down costs

"To the extent that a Government

deficit develops in spite of reductions in nonessential spending and increases in taxes, the Treasury should borrow as little as possible from the commercial banks. The fundamental goal in the event of a Treasury deficit must be to induce individuals to curtail their spending and to increase their savings, either directly in Government securities or in savings and insurance institutions, which, in turn, buy Government obligations."

The Dangers of Deficit Financing

The report of The First National Bank of Chicago, signed by Chairman Edward E. Brown, Vice-chairman James B. Forgan, and President Homer J. Livingston, observed: "The people of the country realize much more keenly than ever before the dangers of deficit financing and the inevitable inflation which it brings, and it is to be hoped that the realization of this danger will cause the strictest possible economy in government, consistent with the rearmament program, and that there will be raised by taxation the maximum amount possible without undue injury to the productive capacity of the country."

The Need for Leadership

Board Chairman I. F. Freiberger and President George Gund of the Cleveland Trust Company noted three major factors that will influence the country: Inflation, Government controls, and increased productive facilities. "How successfully the difficulties will be met," said these bankers, "depends on the quality of our nation's leadership. Never before have we so much needed all the able leadership that we can and should draft to help solve these problems."

Before World War II about 4-million Americans paid an income tax. After the war began, according to a Twentieth Century Fund report, the number rose above 40-million. Now it's around 56-million.

Inflation and Socialism

J. Stewart Baker, chairman of the Bank of the Manhattan Company, New York, told the stockholders:

"Looking at the record of the past two decades, one is forced to conclude that our nation has reached a condition where inflation is so great a danger that we are running the risk of being led involuntarily into increasing regimentation and control bordering on socialistic authoritarianism.

"The relation between inflation and socialism is greater than is generally appreciated. At every step in the inflationary process new distortions arise and new pressures are created for the Government to 'step in' with a new set of controls or actions designed to rectify the difficulties, real or imagined, in which one group or another of the economic body finds itself. Thus the risk of inflation has been used to justify assumption by the Government of responsibilities beyond its capacity to discharge, except by diffusing and obscuring the real cost through still further inflation. Now that our nation has entered upon a program of expanding military preparedness, with the additional cost which it entails, the risk of further regimentation has been greatly increased, as more than one highplaced Government spokesman has pointed out. . . .

"We should not allow ourselves to be led irretrievably into socialism by actions and policies which, taken individually, fail clearly to identify our destination. To help bring about a better understanding of the inevitable consequences while there is still time to choose is a challenge for all of us who believe in the American way of life."

Other Views

William A. McDonnell, president of the First National Bank in St. Louis, commented: "As manpower and resources are drained off and rerouted into the mobilization effort, it is inevitable that we will relinquish certain freedoms of choice in the administration and policies gov-

(CONTINUED ON PAGE 122)

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erning our business. In the face of the present situation, our primary obligation is to the nation.'

William N. Enstrom, chairman of Irving Trust Company, New York, commenting on the need for stepping up the rearmament program and for controlling inflationary pressures, said that an increase in taxes was "a simple and effective counterinflationary measure which transfers purchasing power from civilians to the Government." As the Government, he added, "takes a larger part of national production. taxes should take a larger part of national income to help hold civilian spending to the available supply of goods."

Wallace M. Davis, president of the Hibernia National Bank of New Orleans, had this to say: "A sound economy is the greatest bulwark of our form of democracy. To regain that in this country we must substitute patriotism for selfishness, industry for indifference, and thrift for wastefulness."

John J. Rowe, president of The Fifth Third Union Trust Company of Cincinnati, said his personal judgment was that in considering participation in world affairs "the first question to ask is 'How much can we afford?' That governs the actions of every prudent person and

every corporation. It should and must apply to governments."

Adjustment to a New Tempo

L. M. Giannini, president of Bank of America, said in his report that the need for "inspired leadership, national teamwork, and exercise of profound wisdom" was the greatest in our history.

"In this world," he observed, "we can never go back to normal. We can only go forward to a new normal -in this case a new normal of defensive preparedness sufficient to win and hold our goal of peace. . . .

"I am convinced, however, that once our national economy has become adjusted to the requirements of an effective preparedness state, we can-if we possess the will-continue our way of life without sacrifice of any essential freedom. . . . It will be a case of adjustment to a new tempo in all things, which, after all, has always been the basic pattern of our economy

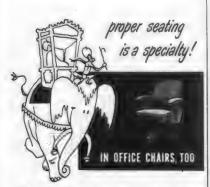
The immediate task will be easier and the goal more quickly won, continued Mr. Giannini. "if labor and management work in harmony, if political expediency is retired to the side lines, and if the Federal Government sets the example for the people to follow in matters of economical operation and conservation of resources, including manpower.

"From now forward, business and industry must make its manpower more productive. It is to be hoped the Federal Government will do the same, shouldering its added tasks without further unnecessary inroads into the labor force, by bringing hours and other working conditions into line with those which must prevail in factories and fields and stores and offices and homes."

Money Rates

For The Chase National Bank of New York, Chairman Winthrop W. Aldrich and President Percy J. Ebbott made this comment: "Commercial banks, like other businesses, are confronted with progressively higher operating costs and taxes. Although money rates are up moderately from the extremely low levels of recent years, nevertheless some further increase is essential if banks are to obtain a fair and reasonable return on the invested capital which bank shareholders have at risk." (END)





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DO/MORE EXECUTIVE, SECRETARIAL AND CLERICAL CHAIRS



THE TEXAS COMPANY

194th Consecutive Dividend

A dividend of one dollar (\$1.00) per share on the Capital Stock of the Company has been declared this day, payable on March 10, 1951, to stockholders of record at the close of business on February 9, 1951. The stock transfer books will remain open.

ROBERT FISHER

January 26, 1951

Treasurer

Genuine Imported CHAMOIS Just Imported from England. Chamels made from sheepskin with painstaking skill, tanned with 100% pure end oil. Soft, absorbent, lint-free. Save labor, a better job washing cars, windows, mirrors, polishing silverware, dusting furniture. Big skin, porter quality, axtisfaction guaranteed or money refunded. Approx. 17 In. x 13 In. \$2.00 each. \$20 per dozen. Save postuage, send check. C.O.D.'s accepted.

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Community Service Loan Fund

(CONTINUED FROM PAGE 14)

you give a person something for nothing, he usually feels it is worth nothing.

"Undoubtedly we will receive requests for aid from some people who are not worthy of much consideration. It is not our intention to try to help these people-nobody can."

The term of a loan will depend upon the circumstances of the case. In some it may be a month, in others a year or more.

When this article was written the Gardner Trust had made an advance of \$60 to a former GI who has enrolled in the engineering school of a western university; he needed the money to help meet his expenses in getting started. Another former service man requested \$150 to help him complete this year's studies in an art school. A third request-this one for \$300 - came from another student to replace an anticipated scholarship that didn't materialize.

HE bank also has had some applications from nonresidents (one from another state). These, however, were rejected.

"We are writing them," explains Mr. Ferguson, "that we regret we can't handle their requests. If we attempted to cover such a wide territory it would mean that we could assist only a very few in the long

"In other words, this fund is intended to help people in this community, with the hope that we can accomplish something worthwhile.

"We anticipate that the \$25,000 will become a revolving fund so that it can aid a lot of people along the

Education helps earning capacity. Ask any college professor.

The reason it costs so much to live is that yesterday's luxuries are always becoming today's necessities.

High school and college debating teams should consist of girls. They always win after they are married.

Logic is a fur coat combined with sheer hose in winter.

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TUSCO STANDS ARE ADAPTABLE TO OVER 95% OF ALL OFFICE MACHINES

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New Books

The Management of Bank Funds

By Rowland I. Robinson. McGraw-Hill, New York. 416 pp. \$5.50. Primarily a college text, this book uses considerable case material. It attempts to put into writing, says its Northwestern University author, the "oral traditions" of banking, which are "passed along by word of mouth but seldom written down." The major sections discuss protective employment of funds, bank loans, practices and policies for specific types of loans, commercial bank investment, and the sources and uses of bank profits.

The Stock Market

By George L. Leffler. Ronald Press, New York. 567 pp. \$6.

The professor of finance at Pennsylvania State College studies the market's present day operation and function. The book is for investors, traders, teachers, students and brokers.

Direct Placement of Corporate Securities

By E. Raymond Corey. Harvard Business School, Boston. 224 pp. \$3.50. The assistant professor of business administration at the Harvard Graduate School of Business Administration analyzes a fundamental change that has taken place

in corporate financing during the last couple of decades. The subject is discussed from the viewpoints of both issuer and investor.

Other Publications

The National Committee on Foundations and Trusts for Community Welfare, Chicago, has published COMMUNITY TRUSTS OF AMERICA: 1914-1950, a review of the development and present status of these funds in the United States and Canada. The study, prepared by the committee's secretary, Frank D. Loomis, also reviews the basic principles and methods which have been successfully used in developing the trusts.

From the National Association of Bank Auditors and Comptrollers, Chicago, comes a survey, Duties and Responsibilities of a Bank Auditor and/or Comptroller. More than 2,000 members of the association cooperated in this study by answering a questionnaire which asked whether the bank had a comptroller or auditor, whether the by-laws outlined his duties, and whether, in the absence of an auditor or comptroller, the bank has an officer who maintains an audit program. The results are tabulated by states and summarized.

John Y. Beatty, former editor of Bankers Monthly, is writing a series of 12 booklets in a Bank Employees Library series. The first two titles are How to Succeed in Banking as a Career and Employee Opportunities in Public Relations. The series is published by Bankers Publishing Company of Cambridge, Massachusetts, at \$1 a copy.

THE SOUTH AMERICAN HANDBOOK, 1950. H. H. Wilson Company, New York. 766 pp. \$1.50. A reference covering countries, products, trade and resources.

PLANNING PERSONAL SECURITY. By W. C. Hanson. B. C. Forbes & Sons, New York. 160 pp. \$10. A manual on management of personal finances.

STANDARD CODE OF PARLIAMENTARY PROCEDURE. By Alice F. Sturgis. McGraw-Hill, New York. 255 pp. \$2.50. "The complete modern manual conforming to current practice and law covering the rules of order for all types of meetings."

How to Develop Your Thinking Ability. By Kenneth S. Keyes, Jr. McGraw-Hill, New York. 242 pp. \$3.50. "A guide to straight thinking and sound decisions."

World Bank Bonds

Public offering of \$50,000,000 of 25-year 3 percent bonds of the World Bank was made at the end of February.

Unlike the Bank's last issue of \$100,000,000 refunding bonds, which were offered on a competitive bidding basis, the present issue is being handled on an agency basis by the 10 large commercial banks and 22 investment banking houses who were managers or major participants in the four groups which submitted bids on the issue floated a year ago.

The following banks and investment houses constitute the selling group, whose managership, on later issues, will rotate among the members.

BANKS

Bank of America N. T. & S. A. Bankers Trust Company.

The Chase National Bank of the City of New York.

Chemical Bank & Trust Company.
The First National Bank of Chicago.
First National Bank of the City of
New York.

Guaranty Trust Company of New York.

Manufacturers Trust Company.
J. P. Morgan & Co., Incorporated.
The National City Bank of New York.

INVESTMENT BANKERS

Blyth & Co., Inc. C. J. Devine & Co. Dillon, Read & Co., Inc. Drexel & Co. The First Boston Corporation.
Glore, Forgan & Co.
Goldman, Sachs & Co.
Halsey, Stuart & Co., Inc.
Harriman, Ripley & Co., Incorporated.
Kidder, Peabody & Co.
Kuhn, Loeb & Co.
Ladenburg, Thalmann & Co.
Lazard Freres & Co.
Lenan Brothers.

Merrill Lynch, Pierce, Fenner & Beane.

Morgan Stanley & Co.
Salomon Bros. & Hutzler.
Shields & Company.
Smith, Barney & Co.
Stone & Webster Securities Corporation.

Union Securities Corporation. White, Weld & Co.



is one of your most faithful employes

You pay him no salary, no retainer, no commission. But he is constantly at work to protect you from loss. This man provides safe, adequate protection for your business . . . your home and property.

This man is your local insurance agent . . . your friend.

Frequently he must work long hours analyzing your peculiar problem and planning the right insurance coverage for you. Consult him today and let him give you the full benefit of his specialized knowledge of insurance protection.

For claim service in an emergency, call Western Union by number and ask for Operator 25, who has the name and address of your nearest U.S.F. & G. Agent.



CONSULT YOUR INSURANCE
AGENT OR BROKER AS YOU WOULD
YOUR DOCTOR OR LAWYER

United States Fidelity & Guaranty Company, Baltimore 3, Md.

Fidelity & Guaranty Insurance Corporation, Baltimore 3, Md.

Fidelity Insurance Company of Canada, Toronto

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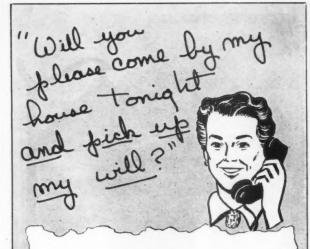
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This telephone message was received recently by a Trust Officer.

He went, got the will, and this explanation:

"When I began receiving your trust advertising, I did nothing. Then I began to read it, and I found questions that I could not answer intelligently about my own affairs. It annoyed me. Then it aroused my curiosity. Finally, as you know, I came to see you last month. This will represents the result of constant reminders sent to me by your bank over the years. I want it in your hands before I leave on my vacation."

The Trust Officer's Bank—our customer—was named executor and trustee under this will.

You will find our trust programs equally successful in promoting new business for your Trust Department.

May we submit a proposal?

THE PURSE COMPANY

Headquarters for Trust Advertising

CHATTANOOGA, TENNESSEE

BANKING'S ADVERTISERS

March 1951

Ilison Coupon Company, Ine. merican Appraisal Company merican Credit Indemnity Company	116 123 72
merican Express Company	97
merican Express Company merican Express Company merican Security and Trust Company, Washington, D. C. merican Surety Group merican Telephone and Telegraph Company	101
sanco Comercial Antioqueno sank Building and Equipment Corporation of America sank of America N. T. & S. A., San Francisco sank of Montreal sank of Nova Scotia, The sankers Development Corporation	100 112 30 16
lank of Nova Scotia, The	90 20
Sankers Trust Company, New York	10
Santhrico Industries Boatmen's National Bank, St. Louis Surroughs Adding Machine Company	108
anadian Bank of Commerce ase Company, J. I. central-Penn National Bank, Philadelphia hase National Bank of the City of New York hristmas Club, A Corporation hrysler Corporation (Airtemp Division) lity National Bank and Trust Company of Chicago commerce Clearing House, Inc. continential Illinois National Bank and Trust Company of Chicago.	104 55 24 103 95 109 119 71 75
Deluxe Check Printers, Inc	100
Detroit Edison Company	17
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Educational Thrift Service, Inc.	26
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Florida National Group of Banks	111
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Gray Manufacturing Company, The (Audograph)	31
Halsey, Stuart & Co., Inc. Hammermill Paper Company	106 III
Hartford Accident & Indemnity Co. # Hartford Fire Insurance Co.	89 85
Insurance Company of North America Companies, Philadelphia	69
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McBee Company, Inc. Mellon National Bank and Trust Company, Pittsburgh Minneapolis-Moline Power Implement Co. Monroe Calculating Machine Company, Inc.	21 19 110 91
National Cash Register Company National Shawmut Bank of Boston New Hampshire Fire Insurance Company New York Terminal Warehouse Company New York Times, The Northern Trust Company	116 76 61 73 23
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Photostat Corporation Polk & Co., R. L. Purse Company	13 24 126
Recordak Corporation (Subsidiary of Eastman Kodak Co.)	
Sax-On Paint Stores, Chicago Scudder Fund Distributors, Inc. (Scudder, Stevens & Clark) Sceurity-First National Bank, Los Angeles Sikes Company, Inc., The Sikes Company, Inc., The Standard Paper Goods Manufacturing Company	122 123 11 20 7
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Texas Company, The	88 123 113
Underwood Corporation Union Pacific Railroad United States Fidelity & Guaranty Company United States Treasury	125 117
Valley National Bank, Phoenix	26
Westinghouse Electric Corporation (Elevator Division)	25 114
V-la and Towns Manufacturing Company	12

Business Aids

Home Planners Libraries

New Products

Operations

Industrial

Each month this column will list recent acquisitions including manufacturers' literature and other special announcements of interest to our readers—though no statement made should be regarded as an endorsement.



3 27415

ING A NEW "DIMENSION." A
16-page, illustrated booklet
that will be helpful to
banks having interests in
the lumber business. Describes the advantages of
co-ordinated purchasing
with examples of savings
in time and money made

possible with this system. Outlines solution of storage and lumber handling problems by means of "packaged shipments" and includes a data form which will help the lumber dealer analyze his plywood and lumber needs for most efficient operation. Write to Georgia-Pacific Plywood & Lumber Company, Southern Finance Building, Augusta, Georgia.

NATIONWIDE INSURANCE SURVEY. An 8-page reprint illustrated by charts and tables covering the results of interviews with 44,618 insurance buyers. The study covers both personal and business risks, indicating the respective proportion of the insured and uninsured markets for casualty coverage in both fields. It is noted that while over 90 percent of those interviewed carried automobile liability insurance, many showed a lack of knowledge of the very existence of most other forms of insurance.

This survey is available from the Hartford Accident and Indemnity Company, 690 Asylum Avenue, Hartford 15, Connecticut.



THE ROLE OF BUSINESS MAGAZINES IN TODAY'S ECONOMY. A 12-page illustrated booklet, one of a series devoted to a discussion of business paper content during a national emergency. Describes the business magazine and lists the present Number 1 job as being to help marshal and utilize men, machines and materials of every industry. Illustrates some editorial

and advertising content of business magazines during World War II as well as today.

WHAT HAPPENS TO ADVERTISING IN A NATIONAL EMERGENCY, Second in a series. A 7-page booklet of charts showing advertising trends during World Wars I and II, by industry and companies. Write to McGraw-Hill Publishing Company, 330 West 42nd Street, New York, New York.



AN 11-TON AIR CONDITIONER has been added to the present line of packaged units by the Airtemp Division of Chrysler Corporation, Dayton, Ohio. The equipment features a cushion-mounted compressor sealed in an oil bath for long-life performance; and a large return air grille with cleanable filters. Fans

may be operated separately when cooling is not required, and a heating coil is available as optional equipment for all year service. The unit occupies only 11.25 square feet of floor space.



8 IDEAS FOR A BETTER BED-ROOM. An 8-page illustrated folder containing ideas for building wardrobes, chests, etc., into a bedroom to make it more comfortable and livable. The folder includes detailed construction plans and specifications and lists all materials needed for built-in wardrobes, night

stands, beds and storage walls. Also outlines procedure for finishing the plywood used in this construction. Also available, similar booklets covering the kitchen,

living room and play area.

These 4 booklets, for home planners' libraries, are available at 10¢ each from the *M* and *M* Wood Working Company, 2301 North Columbia Boulevard, Portland 17, Oregon.



HOOD ASPHALT TILE. An 8-page booklet, handsomely illustrated in full color, containing ideas for tile flooring in the game room, living room and dining room, school, store and office. Displays the choice of colors available and shows several designs possible through use of different color and design combina-

tions. Write to B. F. Goodrich, Flooring Division, Watertown 72, Massachusetts.



WINTER IS WONDERFUL! A 12-page booklet discussing the dependability of air line service during the winter months. Reviews new techniques and flying aids behind the greatly increased reliability of flying during cold months and comments on the safety and comfort of the modern aircraft, which is equipped to fly in virtually any type of weather. Banks having travel depart-

ments will be interested in this booklet. Write to American Airlines, 100 East 42nd Street, New York, New York.

The Outlook. Until the free-for-all debate on foreign policy is settled, a great many business questions will remain unanswered.

Starting out as a debate on the relative advantages of air, ground and sea power, between the protagonists of Asia first, Europe first, and America first, between the Gibraltarists and the globalists, it has spread inevitably to include broad questions of economic and financial policy.

Almost everything touching on the future of commerce and industry, such as taxes, Government spending and fiscal policies and the controls of manpower, prices and materials depends on the timing and character of the national defense program, and this is what the debate is all about.

Businesses which over-stockpiled in anticipation of rising prices and scarcities may find themselves in a position of having too much too soon.

The rearmament program cannot get fully under way until we decide where we are going. It may be an oversimplification to define the issue as between nationalism and internationalism but that is close enough; and no matter what words are used the issue is being drawn sharply enough today for the average person to see it. Barring another Pearl Harbor it may finally have a chance to resolve itself in the best interest of the nation.

One incidental source of confusion is that today's internationalists are usually the same group who urged for years the abandonment of India, Indonesia, the Philippines and the abdication of Western authority generally in the Orient. Today's globalists are the isolationists, retreatists, anti-imperialists, or what-you-may-callems of yesterday who worked to break up the Western colonial system without having anything to take its place but communist imperialism. Now they want to get back into the empire business with great responsibilities but no authority.

Prescription and Dosage

A prescription with which free enterprise can defeat communism without defeating itself must contain these elements: maximum production, minimum controls, austerity starting in Washington, a balanced budget and 30 to 40 percent of the national debt in the hands of individuals.

Business would feel better about this latest trip into the unknown if the talk about controls were less in volume and more specific. Controls, curbs, regulations, restrictions, curtailments and all the synonyms in the dictionary will not solve the problem of outproducing Russia.

One basic objective of the present effort is to prove to the world that a free economy can produce more than a totalitarianism. There would be no point in proving to the world that we can produce a better totalitarianism than Russia.

Strategic Dollars

The national debt is now about \$256-billion and no one knows what it will be in 1960. The present ownership of the debt is about as follows:

Banks, a little over \$80-billion; private nonbank investors almost \$140-billion, including nearly \$59-billion in E, F and G bonds and accrued interest owned by an estimated 75-million individuals; and Government investment accounts totaling a little over \$38-billion.

During the calendar year 1950 the amount of the debt owned by private nonbank investors increased by \$5.6-billion. There was a slight decrease in holdings of Government investment accounts, and the holdings of commercial banks during the year declined over \$6-billion.

The crux of this picture is the \$59-billion in U. S. Savings Bonds and interest, because that is strategic money from the standpoint of the preservation of our present system.

For example, how many of these fighting dollars will volunteer and how many will be drafted?

Volunteer Dollars

Just as men and materials are subject to all degrees of classification based on their relative strategic importance in the national defense program, so there are different kinds of dollars. The money that comes to the Treasury directly from the public through the purchase of Government bonds belongs on the essential list, because if the time ever comes when the public is "not having any" Government bonds, it would be a sorry day in our history.

We would be heading into real trouble. The entire burden of financing this prodigious program would be shifted to dollars drafted by one means or other plus the devaluing process of inflation. This is simply another way of saying that we would move into an economy which could not be distinguished from outright socialism by an expert.

No civil defense plans would be available against this kind of a bomb. The only defense is a wider distribution of the debt among individuals, a franker understanding of the financial facts of life in the nation today and pressure on the Government to be careful how it handles that important green paper.

Play as We Go

Meanwhile the basic question of the day is how far can we play as we go? The unhelpful answer is, how far are we going? Twisting a well-worn metaphor, the only way we can eat our butter and have guns too is more and more production. Soldiers are on a 168-hour week and a reasonable question may soon arise whether a 35- or 40-hour week will win on the home front where we have the comforts of life, not to mention life itself.

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